DOCUMENT RESUME

ED 167 302 RC 011 150

AUTHOR	Preston, Richard, Ed.
TITLE	Indian Industrial Development Manual For and By Native Americans.
INSTITUTION	AIDC Educational Foundation, Wenham, Mass.
SPONS AGENCY	Economic Development Administration (DOC), Washington, D.C.
PUB DATE	75
CONTRACT	EDA-TAP-99-6-01956/2
NOTE	191p.; Photographs and charts will not reproduce clearly
EDRS PRICE	MF-$0.83 HC-$10.03 Plus Postage.
DESCRIPTORS	Agency Role; Alaska Natives; *American Indians; Developing Nations; *Economic Development; Financial Support; Illustrations; Industrial Education; Industrialization; Job Development; Organizational Development; Program Development; *Publicize; Public Relations; *Reservations (Indian); *Socioeconomic Influences; Tribes
IDENTIFIERS	*Federal Indian Relationship; *Industrial Development

ABSTRACT

Because cultural, historical, political and economic factors combine to form an economic development environment unique to tribal lands, industrial development on Indian reservations must be done by Indians. This manual, written by and for Indians, can be used for implementation of reservation industrial development. After a review of the circumstances that create the economic development environment unique to the Indian context, the planning process is discussed as it is applied to the comprehensive socio-economic development of a reservation. A plan for organizing the physical group to carry out the economic development program is offered along with ways the program itself may be organized for most effective operation. Sources of financial assistance to American Indian reservations are listed. Strategies for attracting potential industries to the reservation are given as well as techniques and procedures to be utilized when working with prospects. Discussion is also devoted to such needs as: establishing confirmed industrial development sites; solidifying industry already existing on the reservation; and promoting the industrial development program on three levels to the members of the tribe, to the tribal council, and to potential capital investors. The final chapter discusses economic development implications and opportunities for the Alaska Native population. (DS)

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INDIAN INDUSTRIAL DEVELOPMENT MANUAL

For and By Native Americans

U.S. DEPARTMENT OF HEALTH,
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INDIAN INDUSTRIAL DEVELOPMENT MANUAL

For and By Native Americans

EDITED BY
Richard Preston

Published by
AIDC Educational Foundation
Main Street, Wenham, Massachusetts 01984

Preparation of this manual was financed through the Economic Development Administration, United States Department of Commerce Technical Assistance project No. 99-6-01956/2.

Book designed, printed and produced in the United States of America by TRT Publications, Inc., P. O. Box 486, Beverly, Massachusetts 01915.

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Foreword

What is Industrial Development?

It is that economic development process by which a community both generates job opportunities and strengthens its social and economic base.

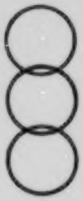
Where does it fit into the scheme of things?

It is at the very core of a community's total development.

How come?

Well, there is a graphic that tells the story. The components of Total Development ◯ are:

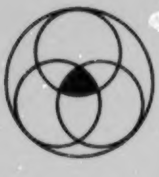
economic development
social development
political development.



None operates alone; thus, they overlap.

Now–industrial development is a special case in the sphere of economic development. Anything it does (or does not do) has an impact upon social, political and economic development.

By virtue of these facts–Industrial development forms the very core of a community's Total Development.



The symbol serves to remind us of the responsibility that accompanies *all* industrial development programs. The above observations, together with certain other broad objectives and goals, apply to industrial development wherever undertaken.

Specifics of programming and operations, however, differ widely.

Nowhere in the United States is this more evident than in the context of the American Indian. Cultural, social, political, economic and historic differences between the non-Indian and Indian experience make this so.

In consequence, many of the reference works and other educational media available in the United States lack a certain relevancy for the Indian industrial developer.

This situation became very apparent to the 32 men and women who participated in the American Indian Industrial Development Intern Program which was administered over a period of four years by the AIDC Educational Foundation under the sponsorship of the Economic Development Administration, the Bureau of Indian Affairs, William H. Donner Foundation and the participant industrial development organizations and agencies. In fact, the Manual Project was suggested in the summer of 1972 by the Interns themselves while that year's group was attending the Industrial Development Institute. The project became part of the program. It was apparent, however, that the Interns would have to have field experience before such a work could be realized.

In consequence, it was not until late 1974 that the Manual was commissioned by the Indian Desk, Economic Development Administration and was undertaken by the AIDC Educational Foundation.

In essence, the Manual has been written by American Indians under the direction of a four-man Editorial Board of which two were non-Indians; the only such persons engaged in writing and preparing the Manual.

As Editor-In-Chief, I would like to acknowledge the contributions in time, talent and assistance which the following, in addition to my fellow editors, have afforded the project: Ray E. Tanner, Special Assistant for Indian Affairs, Economic Development Administration, Gordon Evans, Assistant Chief of the Division of Indian Business Enterprises, Bureau of Indian Affairs; Richard D. Biegger, Intern Program's Project Officer and President of Foremost Development Consultants; the National Congress of American Indians for permission to reprint certain lists; various and sundry unknown photographers and especially Cindy Brooks who typed and retyped the material always in good humor.

For the Editorial Board:

Stuart Jamieson (Seneca)
Michael Oberlitner
Wilbur Paul, Jr. (Blackfeet)

by Richard Preston, C.I.D., Chairman
President of the
AIDC Educational Foundation

Wenham, Massachusetts
15 October, 1975

Preface

Twelve years ago I was working in the non-Indian world in the game of industrial development in the state of Pennsylvania. Because of my experience and qualifications in the industrial development field, the federal government felt that I could do the same thing on the Indian reservations. I was informed that it would be an easy task to attract industry to the reservations to provide jobs for the "vanishing Americans".

Over the past twelve years in my work with the American Indian, I have found that the "vanishing Americans"are, if anything, more visible than ever. They have unemployment from 40 to 50 % on most Indian reservations. If this unemployment existed in a city, county or state it would be declared a disaster area.

There are over 500,000 Indian people on state and federal reservations plus over 70,000 in the Alaskan native villages that are composed of Indians, Aleuts and Eskimos.

They are visible. They are trying new ways to come to terms with the non-Indian society while retaining their complex heritage. To help balance the competitive and materialistic aspects of American life, there is much in that heritage that the American industrialist and the American people should recognize. Some examples are: the stress on personal qualities over mere personal possessions and generosity which characterized the Plains Indians. The Pueblos demonstrated their incredible perseverance by stubbornly scraping a living from desert land. The Northwestern Indian evidenced the rich imaginative life by his love of beautiful objects, whether for everyday use or designed for a religious or social purpose.

Finally, the Navajos' harmonious vision of man finding understanding and fulfillment in communion with nature which provides an outstanding example of the community mindedness in pooling individual efforts and meager resources for the benefit of all. This characteristic alone has permitted many tribes to survive.

As you can see, I have learned some lessons about "great people". I have learned that industrial development on Indian reservations is different and must be done by the Indian people. With this in mind, the Economic Development Administration funded for three years the American Indian Industrial Development Intern Program to train Indian people in the industrial development field. Under the supervision and coordination of the American Industrial Development Council Executive Vice President Richard Preston this program provided on-the-job training for thirty-two American Indians with state agencies, banking institutions, public utilities and industry. These "graduates" are now working throughout the nation assisting in the gigantic job of obtaining new jobs and payrolls for their people.

This Manual was written by and for the American Indian in the hope that Indian industrial development on the reservation and tribal lands can be fully understood and become a reality.

The wrongs of years ago can't be made right. There isn't anything anyone can do about yesterday. It's gone, but today and tomorrow can be made good by using this Manual to bring about jobs that will help to provide the American Indian with pride and respect.

If the Ottawa Tribe had a moral rule of conduct, embodied in twenty-one precepts, which strikingly resembled the Code of the Biblical Ten Commandments, if the Mohawks had their own school as early as 1712; if the Cherokees and Choctaws, after their removal from their lands in 1842, re-established their schools and if the Cherokees in 1862 had twenty-one elementary schools and two academies with an enrollment of 1,000, then the unemployment rate on many reservations can be substantially reduced with the same determination.

My past twelve years working with the American Indian have been most gratifying. They have given me much humility and humbleness in understanding just what industrial development is on the American Indian reservations.

Ray E. Tanner, C.I.D.
Special Assistant for Indian Affairs
U.S. Economic Development
Administration

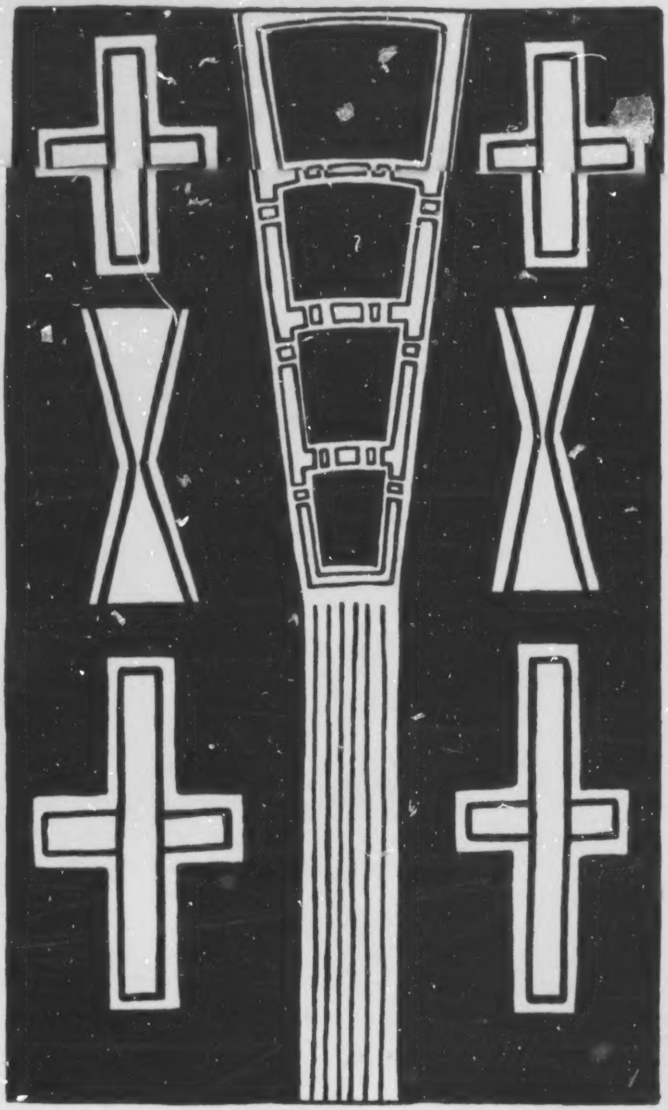


Illustration of Blackfeet Art:

Design taken from painted and perforated men's shirt in the Denver Art Museum.

CHAPTER ONE

Industrial Development in the Context of the American Indian

Wilbur Paul, Jr.

This Manual, while addressed primarily to Indian economic development planners and specialists, would be remiss if it did not make itself available to their principal market—the non-Indian capital investor.

Accordingly, Chapter One provides a brief review of the circumstances, conditions and other factors that create an economic development environment unique to the Indian context.

Investing private capital on an Indian reservation can be profitable to both the investor and to the tribal people in whose reservation or tribal lands it is invested. However, both parties must appreciate and acknowledge the attitudes and conditions of one another. The Indians appreciate investors of private capital and recognize their profit motives, but do the investors appreciate the special nature and character of an Indian reservation?

First and foremost, the American Indian is collectively at the bottom of the poverty scale among the ethnic groups in America. The native American population is characteristically rural, poor and essentially outside of the mainstream of the larger society. These conditions are not new and have many roots—historic, economic, social and cultural.

Persons acquainted with Indian affairs recognize that adjustment of the Indian to the dominant white society in America has taken time and still presents many problems. As can be seen by the conflicts that have taken place in Indian country within the past twenty-four months. America is becoming increasingly aware of the problems encountered when two different societies meet and endeavor to go their different ways.

In recent years there has been much said on the subjects of termination and self-determination of the American Indian. Termination referred to a policy which would have eliminated federal responsibility on all reservations, in effect throwing the totally unprepared tribal peoples into the mainstream of non-Indian society. This policy, fortunately, was itself terminated to be replaced by self-determination, a term implying that the American Indian is in a position to participate in planning the destiny of himself and of his reservation. This leads to the goals of self-help, self-development and working with all individual Indians of the tribe to make decisions together for the benefit of all concerned.

In economic development operations, self-determination means working with firms that are interested in expanding or locating on a reservation or tribal lands. The tribes want to be in a position where someday they will be able to rely on the turnover of capital on the reservation. This can be achieved by attracting industry, both Indian and non-Indian, to a reservation. In either case, economic development is not only desirable but essential to the self-development of the various tribes.

Among the varied cultural aspects of the American Indian is his animistic belief in the imperative harmony of man with nature. Among North American Indians this was expressed most often with the deceptive simplicity of a Biblical parable —as a belief in the Earth Mother from whom all come and on whom all things depend, who must not be damaged or destroyed by her children else they can not return to her to be born again and to thrive.

Pursuing their separate ways within this special frame, Indian tribes long flourished across the continent. Indian claims to land were originally ones of aboriginal use and occupancy.

Then it happened: against the large scale ambitions of predatory and acquisitive European explorers, traders and settlers who overspread these "unclaimed" lands during the eighteenth and nineteenth centuries, the native Americans, mis-named Indians, were no match.

The theory of moving the Indians west to "Indian Country" was highly regarded by the Europeans and was based on the assumption that if the Indians were moved far enough away there would be no need for conflict with them or concern over their problems.

This removal policy was placed in the administration of Indian Affairs within the War Department in 1784 by the Congress of the Confederation.

In 1787 the Northwest Ordinance was passed by the United States Congress and was an important instrument in establishing the basis upon which Indians would hold their lands and what future Indian policy would be.

In effect, the Northwest Ordinance did away with the concept that the Indians would always keep their lands. It opened the way for the non-Indians to move west establishing new frontiers from which they again moved west over-running Indian lands with impunity.

With the passage of the General Allotment Act in 1887 (sometimes referred to as the Dawes Act) emphasis was placed on each Indian to be recognized as an individual rather than as a member of a tribe. The intent of this law was to assimilate the Indian by giving him individual ownership of land, as opposed to the collective land use and possession practiced by most Indian groups. The main provisions of the General Allotment Act were as follows: (1) a grant of 160 acres to each family head and of 80 acres to each other single person over 18; (2) a patent in fee (simple) to be issued to every

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allottee but to be held in trust by the government for 25 years, during which time the land could not be alienated or encumbered; (3) a period of four years to be allowed each Indian in which to make his selection. Failure of an Indian to do so would result in selection for him being made at the order of the Secretary of the Interior; and (4) citizenship to be conferred upon allottees and upon any other Indians who had abandoned their tribes and adopted the habits of "civilized" life.

It was believed that pressuring Indians to become individual farm operators would accelerate their assimilation into the dominant culture and help to make them productive members of the community.

Based on hindsight the allotment program did not prove to be a benefit to the individual or the tribe. When the allotment period ended in 1934 a total of 246,569 allotments had been made. The result of the allotment policy was that individual Indian land ownership decreased from over 140 million acres in 1886 to less than 50 million acres in 1934. In summary almost 90 million acres were taken from the Indians in one way or another by non-Indian interests.

Snyder Act–1921–This act mandated that the Bureau of Indian Affairs was to provide for the general support and "civilization" of the Indians. To carry out this intent the Bureau was responsible for: education, welfare, health, industrial assistance, improvement of irrigation and administration of land; employment of superintendents, matrons, farmers, physicians, Indian police, Indian judges and other employees; necessary buildings, grounds, and incidental expenses connected with the administration of Indian affairs.

Indians Become Citizens–In 1924 Congress passed the Indian Citizen Act, granting citizenship to all Indians who had not previously acquired it.

Wheeler-Howard Act (Indian Reorganization Act–1934) This law, reflecting the belief that "the tribal Indian remains the self-reliant and self-supporting Indian", provided for strengthening tribal governments and stated new economic policies. The trust period on Indian land was continued indefinitely and those lands remaining unsold after allotment were returned to the tribes. The act authorized the establishment of a revolving loan fund to provide credit for agriculture and industrial enterprises.

To be sure, there are many other laws, treaties and other important issues that have not been presented here for this is just a highlight to provide an idea of what the American Indian went through up to 1934.

What is an Indian?--Various federal laws define an Indian for the purpose of the legislation itself. Federal agencies, therefore, are not in agreement as to what actually constitutes an Indian. For example, the Department of Health, Education and Welfare considers an individual to be an Indian "if he is regarded as an Indian by the community in which he lives as evidenced by such factors as membership in a tribe, residence on tax-exempt land, ownership of restricted property, and active participation in tribal affairs".

For the purpose of a state receiving financial assistance for Indian education, the Code of Federal Regulations requires ¼ or more Indian blood. For the purpose of eligibility for cattle loans the requirement is membership in a tribe and ¼ or more Indian blood. However, under the regulations concerning law and order, any person of Indian descent and a member of a recognized tribe is considered an Indian. The Indian Reorganization Act of 1934 (48 Stat. 984) authorizes the tribes themselves to define "Indian" for purposes of tribal membership.

What is an Indian Reservation?–Reservations are tribally-owned lands, ranging from less than one acre (Strawberry Valley Rancheria in California) with a tiny population to approximately 25,000 square miles (the Navajo Reservation) with an estimated 145,000 Indians occupying an area embracing parts of Arizona, New Mexico and Utah; a tract about the size of West Virginia. Most of the reservations were established before 1871 by treaties between the United States and the Indians as the white man moved west in his search for more land. Others were founded later by federal statutes, presidential orders, or agreements approved by Congress. Indians living on reservations have all the freedoms other Americans possess. Restrictions are placed only on tribal funds and property; many of the reservations are located in remote areas of the United States.

The federally-recognized Indian tribes in the United States presently have approximately 39,663,000 acres of land which is held in trust by the Department of the Interior. Generally, tribally-owned land is held in one of two ways. The tribe can hold legal title (fee simple) to the land, but restrictions against alienation of that title can be placed on it by action of Congress. For example, the consent of the Secretary of the Interior is required before the land can be sold, encumbered, or exchanged; but the deed is in the tribe's name and the tribe has true ownership of the property and extant mineral, water and other property rights.

There are approximately 270 Indian "reservations" in the "lower 48" states. Over 200 native village corporations and 12 regional corporations gained title to land and resources under the 1971 Alaska Native Claims Settlement Act. In the 1970 census there were estimated to be approximately one million Indians divided between 60 percent on tribal land and 40 percent on non-tribal land. Unemployment is estimated at 35 percent on most of the reservations.

The alternative to fee simple is beneficial title, where the United States holds the legal title to the land but the tribe and its members can use and occupy the land and benefit from any income it may produce.

In the first example–fee simple–the tribe owns the beneficial interest and legal title but the title is said to be restricted because it can only be sold under certain conditions. In the second example the tribe has only an interest in the use of the land and the United States is said to hold the land in trust; the difference between trust and restricted lands being, in practical terms, non-existent. The land designation comes down to the Secretary of the Interior's interpretation of Indian use and occupancy.

Some reservations are contiguous to or surrounded by urban or urbanizing areas. In this instance reservation land often is parcelled out to individuals in trust allotments. This practice has resulted in a great deal of Indian land being sold to non-Indians who, within the boundaries of certain reservations, outnumber the former owners many times over.

Hiership Land–There are approximately 10.7 million acres of individually-owned Indian land in trust with the federal government. Original allotments of the land were in the name of one individual. However, upon the death of the original owners and the death of subsequent heirs, the ownership of this land has become so fractioned that many owners can not effectively use the land. The result is that much of it is not used or is leased by the BIA on behalf of the owners and the income is divided in accordance with percentage of ownership.

As long as the Indian land is under federal trust it can not be taxed.

The American Indian Culture–Respect for Indian culture, values and understanding are vital to any location effort by a business. The Indian wants to adopt some of modern technology while, at the same time, maintaining Indian values, standards, loyalties, religion and sense of relationship between man and earth. Savings, investment and profit motives generally do not play an important part in the Indian culture.

In addition, financial success does not always carry the status that it does in the highly industrialized society of the United States.

If industrial development is to succeed on an Indian reservation the Indians must be involved in all phases of the planning process and the jobs provided must be those which the Indians are willing and able to perform, rather than a take-it-or-leave-it situation.

When negotiating with the American Indian, no threats should be made relative to his Indian identity or values. All too often it appears that there are two solutions offered to the American Indian: work hard and assimilate or stay out of sight, out of mind.

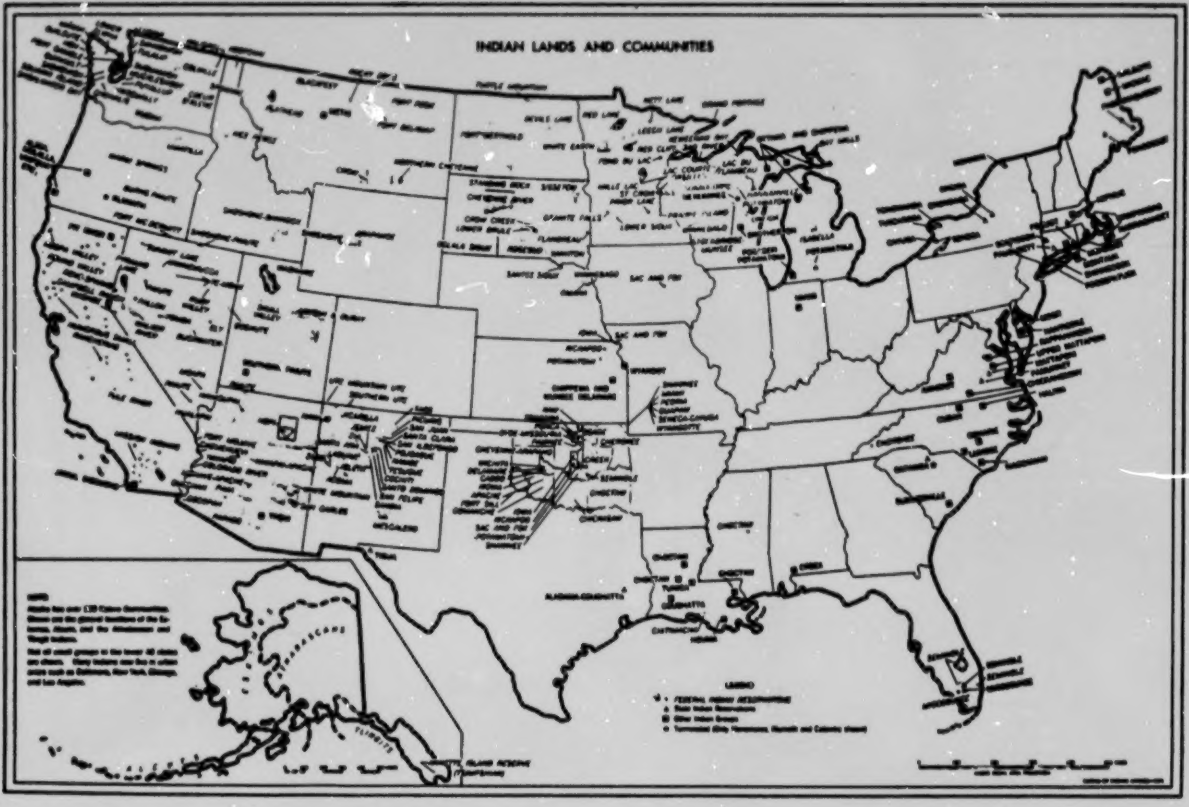
A problem to be faced in developing Indian communities is recognition of the vast range of reservation community types; their varying sizes of population and land area, their differing degrees of cultural or geographic isolation from the larger national community and the enormous differences in the quality, quantity and strategic location of resources.

Lands used by Indians for agricultural purposes, production using irrigated lands, livestock production, income from outdoor recreation and wildlife use-fees, Indian natural resources such as forests and minerals and water are becoming valuable resources in Indian country.

The socio-economic implications of natural resources coupled with those of human resources are compelling reasons for the economic development of the reservations and tribal lands.

In Summary

Economic development is a reality with an ever-widening scope contingent only upon an appreciation of the Indians' desire to retain their special way of life which emphasizes attachment to nature and to Mother Earth.


INDIAN LANDS AND COMMUNITIES

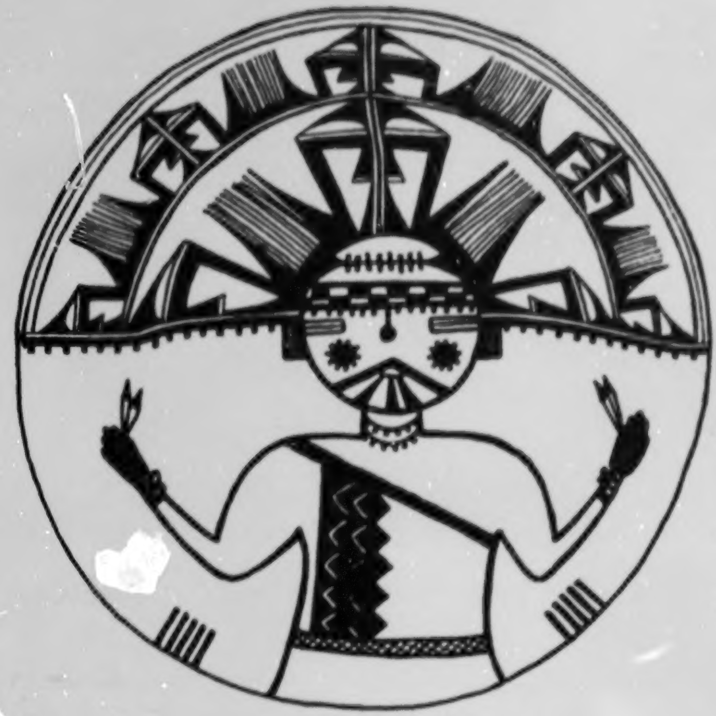


Illustration of Hopi Art:

From a pottery bowl in the Denver Art Museum with a painting of Polik Mana or Butterfly Maiden.

CHAPTER TWO

Plan Review Procedures for Reservations

Gerald Calnimptewa

It is well said that planning without resultant development is a waste of time and money and that development without planning is an unconscionable act.

Today planning and development, particularly in the field of economic development, are one comprehensive operation albeit often each process is performed by a separate entity.

The following chapter discusses the planning process as it is applied in the context of comprehensive socio-economic development of a reservation.

Why A Reservation Plan?—Many Indian reservations have undergone astounding growth and physical change. Decisions regarding further growth and development of the Indian reservation requires the constant attention of the tribal leaders. In order to compete with non-Indian communities, Indian leaders are looking for effective ways to cope with rapid change, to make the most of opportunities created by change and to minimize the burdens. One of the alternatives open to handling these changes is through planning which is a way of directing future activity toward desirable ends.

Planning is identified and understood as a process. It is continuous in nature in that all the phases involved in planning must be continually carried out. The plans must not only provide for continuity in direction of growth, but the planning procedure and programs must all contain within them the provisions that would permit change to meet the challenges and needs of an ever-changing environment.

The purpose of this chapter is to explain briefly the planning process as well as to provide an introduction to the subject of reservation planning and how it is accomplished. This segment of the chapter provides:

A. A brief definition of what planning is;
B. A layman's introduction to the planning process; and
C. A description of what a general plan should do for a reservation and what it should look like.

What is Planning?–Reservation planning is an attempt to bring the future reservation environment–physical, social, economic–into line with the goals of the tribal residents. In other words, it is an attempt to foresee what current trends of population growth or loss, economic development or decay, will bring. Is the outcome consistent with the reservation's goals? If so, how can current processes be strengthened? And if not, how can current processes be altered? Planning seeks to answer these questions and to put the answers to work in improving the community.

Considerations and Policy Guides for Reservation Planning–Concern for the future development of Indian reservations involves much more than the preparation of a physical plan for the vast acreage of the Indian reservation. There is combined with this the various customs, desires, needs and concerns of the reservation people. Indian people have always considered the land very sacred. It is a setting for their homes and a social and cultural institution for them and their children.

When a planning program is to be initiated on an Indian reservation it is important to consider that there has been little or no prior local experience in the technical aspects of coordinated planning. The planning programs that have already been initiated on a reservation usually have been based on a project-to-project basis and most of the physical planning that has already been initiated has been done on the defensive side, relating to projects that are limited in size.

An important item that should be considered in all modern day planning is the socio-economic considerations of the reservation residents. It is invariably true that differences of opinion exist within the Indian communities just as they exist in any non-Indian community. These differences may be attributed to many factors including age, education, religion, political ties, etc. but while, in the Indian context these differences exist and manifest themselves in many ways, there are also many ties that bind the Indian communities together. The one important tie is their common love for the land.

Because a reservation is regarded as a sovereign entity, separate in many ways from the state in which it is located, the reservation form of government is unique. The reservation tribal government, commonly composed of the Chairman, Vice Chairman and the tribal council, have the ultimate responsibility for coordinating the planning programs.

The key ingredients to the planning process are the administrative decisions that must be made by the tribal government. It is, therefore, necessary that the tribal governmental officials be provided and be familiar with the pertinent planning procedure manuals and guidelines. This will not only expedite tribal considerations for action but will also serve to inform the tribal leaders of the requirements and restrictions that must be observed.

It is equally important that broad tribal understanding and participation be encouraged. Since the planning programs will effect not only the physical structure of the reservation land but human resources as well, everyone–young and old–should be encouraged to participate to the degree possible.

One of the first considerations in looking at the planning and development of the reservations is to understand the problems confronting the Indian tribes.

It should be pointed out here that these problems are highly complex. Each reservation represents a distinct economic, social and governmental entity within a state.

The single most important item, to keep in mind therefore, is that the planning programs can not be accepted or be supported by the tribal members unless the planning concept is understood. Thus, to create an atmosphere of goodwill and teamwork among the tribal leaders and their people, both should become involved in the planning programs.

PRELIMINARY OUTLINE FOR RESERVATION PLANNING

The procedures used in formulating plans consist of a series of steps which aim toward a goal. The steps in the planning process include the making of a plan for the future of the reservation as a whole or as separate and distinct as a community. When adopted formally by a tribal resolution or any tribal approval methods, the plan becomes the official policy upon the subject of development. In general, the goal of the plan is to improve the physical as well as the economic and social environment of the reservation.

To describe the process of planning for a reservation let us use the ABC Indian Tribe and a state planning office as hypothetical examples. The order of these procedures is not necessarily fixed and many of the processes can be undertaken simultaneously.

PRELIMINARY OUTLINE

Part I **Background for Planning**

1. The ABC Tribe has recognized the need for planning and has requested the assistance of the state's planning office.
2. The request by the ABC Tribe has valid reasons and should be acted upon. It is essential for the tribe to formulate a plan since the adjacent area is growing

and will undoubtedly have an impact on its reservation.

3. A brief discussion on what planning is will be presented to the tribe.

4. The steps in the planning process include data collection, analysis of resource potentials and constraints, survey of community objectives and problems, discussion of plan alternatives, plan preparation and recommendations for plan implementation.

5. Tribal participation is crucial to a successful reservation plan for two main reasons. First, the plan can only be accepted by the tribe if they have an understanding of it. Second, the plan must contain the desires and the objectives of the tribe. Various methods by which tribal participation is solicited and incorporated will be explained below.

Part II The ABC Reservation

1. A brief history of the reservation will be given and will include facts about current residents of the reservation.

2. Tribal government structure will be reviewed. Possibly, a tribal advisory structure will be discussed. This will include the Bureau of Indian Affairs, tribal attorney, lease agents and others.

3. Brief inventory of the reservation facilities including housing, water and sewer, transportation and others will be discussed.

Part III Development Resources and Constraints

1. A discussion of the land–its location, topography and potential use–will be discussed. Information on the pattern of present land uses is important in order to predict the extent and location of future uses.

2. The goals and objectives of the people as they relate to their land will be discussed. For example, what are their attitudes toward the land and its uses?

Would the people prefer to work on the reservation or off the reservation?

3. Investigation of the growth of the outlying communities should be investigated. An example would be the housing market demand on the reservation.

Part IV **The ABC Reservation Plan**

1. A future land use map and narrative will be included. Information on the pattern of present land uses is important in order to predict the extent and location of future uses. How much land will be needed for various uses?

2. Policies controlling the realization of the plan will be outlined. For example, we may wish to consider the criteria which are used in judging each commercial development by the income it would produce, each industrial development by the employment and payroll it will generate.

3. Emphasis will be placed on the ABC tribal human resources. What do the people want for their community and what skills do they possess? Educational opportunities, scholarships and vocational training information will be made available within the publication.

Part V **Methods of Implementation**

Methods of implementing the plan will be specified in the final publication. Included in this will be the identification of the necessary expertise to develop the options available upon which decisions regarding future policy and the use of reservation land may be made.

THE GENERAL PLAN

Having reviewed the steps and criteria in the planning

"General Practitioners of Industrial Development" and their faculty at the first Basic Industrial Development Course for Native Americans, Arizona State University, March 1, 1968. The course marked the beginning of the Economic Development Administration's continuing educational program directed toward forwarding economic development efforts on Indian reservations and tribal lands. The designation G.P.I.D. was given the graduates by one of their number, Mr. Peter MacDonald.

process, it is time to take a closer look at the plan itself, particularly its purposes and its characteristics.

Purposes

Some of the purposes of the general plan have already been mentioned. For purpose of clarity, five broad purposes of a plan are summarized here.

A. The fundamental purpose is to improve the environment of the individual Indian community or in some cases the entire reservation. Since Indian communities are structured differently from those of the non-Indian communities, several factors should be taken into consideration. For instance, when considering how to improve housing conditions, a policy of replacing substandard housing might be considered. Before adopting such a policy the social and economic impact of displacing the residents must be considered. Perhaps the social costs of breaking up family ties outweighs the benefits of improving the housing stock. Or perhaps the costs are thought to be justified. In any case the policy itself remains a physical development policy.

B. To improve the environment of the Indian communities requires action. Therefore, the plan should not be simply a collection of forecasts about the physical future of the community. It must be an attempt to do something about that future by directing it so as to bring it into line with the goals of the reservation residents.

C. The plan is meant to bring together all the different organizations–tribal, federal and state–at work in the development of a community. A coordinating effort among all interested parties should be highly encouraged.

D. The plan should promote public interest. The public interest is considered important. Care should be taken that individuals do not benefit at the expense of the public.

E. The plan should remind the tribe's decision makers of the long range considerations when they are making short range decisions. Recommendations and decisions about development are always made in the present. Their effects extend far into the future.

Characteristics

In order to be a useful document, the plan should have certain characteristics. Among these are the following:

A. The plan should be comprehensive. The plan should cover geographically the entire reservation or segments of the desired study areas. All types of physical development together with social and economic aspects of the development area should be considered.

B. The plan should be long range. It should project perhaps twenty years into the future to reflect long range goals.

C. The plan should be general. It includes policies rather than specific land use decisions. It does not prescribe, for instance, which segments of the reservation land will have gas stations and which will have supermarkets.

D. The plan must be understandable. It must be written in non-technical language so that all citizens can read and understand it.

E. The plan should be amendable. The publication of the plan does not mean the end of the planning process. In fact, the real physical implementation of the plan starts to unfold at this point. Continuous follow-ups, revisions and amendments to the plan will have to be implemented.

Format

At its simplest, the plan consists of a set of written policies plus maps showing how the future community or reservation should be arranged. The actual format and content will vary from reservation to reservation because of complex differences in tribal desires and goals. However, whatever format the plan utilizes, the desires and goals of the tribal residents should be given first priority.

TECHNIQUES EMPLOYED IN INFORMING AND OBTAINING OPINIONS FROM TRIBAL MEMBERS

Several techniques have been proven successful in providing information to and obtaining opinions from reservation residents. The following is a list that has been widely used and been proven successful.

Displays and Models

An array of maps and pictures displayed in a community center or tribal office has been proven successful in informing tribal residents of the proposed plans. This technique has been effective in getting the message across to the people.

A scale model of the reservation and the outlying communities has also been proven successful in relaying the message to the reservation residents. If possible, a permanently structured model or display should be established in the community center or the tribal office. Also, a portable display that can be moved from one location to another on the reservation will provide all residents an opportunity to see and comment upon the proposed plans.

Community Discussions

Discussion with the reservation residents of the proposed plan is an effective way of getting the reservation residents involved in the planning programs. Tribal officials as well as reservation residents should be informed as to what extent it will impact on the reservation and the people. In addition to the community discussions a continuous report on the progress of the program should be made to the people.

Pamphlets and Brochures

Another good method of informing the reservation residents of the various programs is through the use of brochures and pamphlets. The brochure or the pamphlet should be attractive and be written for easy reading. The contents should include brief explanatory statements setting forth the goals of the planning programs. It should also contain pictures.

Newspapers

The tribal newspaper is another good source of publicity. Since the majority of the reservation residents has easy access to the tribal newspaper, this makes it ideal for publishing articles on the planning programs. The tribal officials should endeavor to utilize the newspaper in obtaining support for the planning program.

COORDINATING AND CONTROLLING PROCEDURES

Due to increasing complexity in reservation planning, it has become necessary to establish some type of a controlling mechanism that serves as a check on the progress of various planning activities. Since many of the plans are long range projections the control mechanism becomes especially important because it serves to control any deviations that may occur between these time frames. It also serves to keep both the short and long range projections in tune with the desired objectives.

Many of the techniques employed by the control mechanism are of an elementary nature. However, their importance in the planning process can not be over emphasized. Because of the common nature of control techniques, it is important that some type of written instructions be prepared that would serve as a review procedure manual. In addition to the controlling and coordinating functions, the manual would describe methods and techniques for updating and implementing change. In reality, the review procedure manual is a tool that is used in coordinating and controlling the planning procedures in data identification.

Simply stated, the review procedure manual is a book that contains instructions for keeping the collected data in an orderly fashion. It contains accepted and approved methods for controlling the vast amounts of raw data. An example would be the methods and techniques for numbering and updating maps, reports and minutes.

In addition to the data identification that was utilized in the compilation stages, follow-up actions also need to be initiated. The follow-up process is a must once the initial plan has been completed because the revising and updating aspect of a planning program is an integral part of a continuing planning program. The objective is to keep all the planning data as current as possible.

SOURCES OF PLANNING ASSISTANCE

Many federal agencies engage in planning activities of one type or another which affect the plans and development activities of the Indian reservations. Here we briefly mention three of these agencies and explain the type of assistance that they offer.

Housing and Urban Development

701 grants, authorized under Section 701 of the Housing Act of 1954, are the primary source of financial assistance for land use planning currently being utilized by the Indian tribes. This grant program also provides planning assistance to towns, cities, counties, regional councils of government and the states.

Economic Development Administration

EDA provides grant programs in a variety of ways. In Arizona, for example, the Indian Planning Program under EDA provides grant programs to the Indian Development District of Arizona for utilization in their planning areas throughout the state.

In addition to the economic planning provided to Indian tribes, technical assistance is available for planning specific projects such as industrial parks, infrastructure, feasibility studies and the like.

Title V Regional Commissions

These commissions engage in economic development planning for the region, provide technical assistance and distribute supplemental grants to reduce the local matching contributions required of some federal grant-in-aid projects. The Indian tribes within certain designated counties of a region may utilize the Commission's programs on various projects.

Although there are undoubtedly other federal agencies in other areas of the planning activity, only three have been discussed here. Consideration should be given to all available assistance from federal agencies.

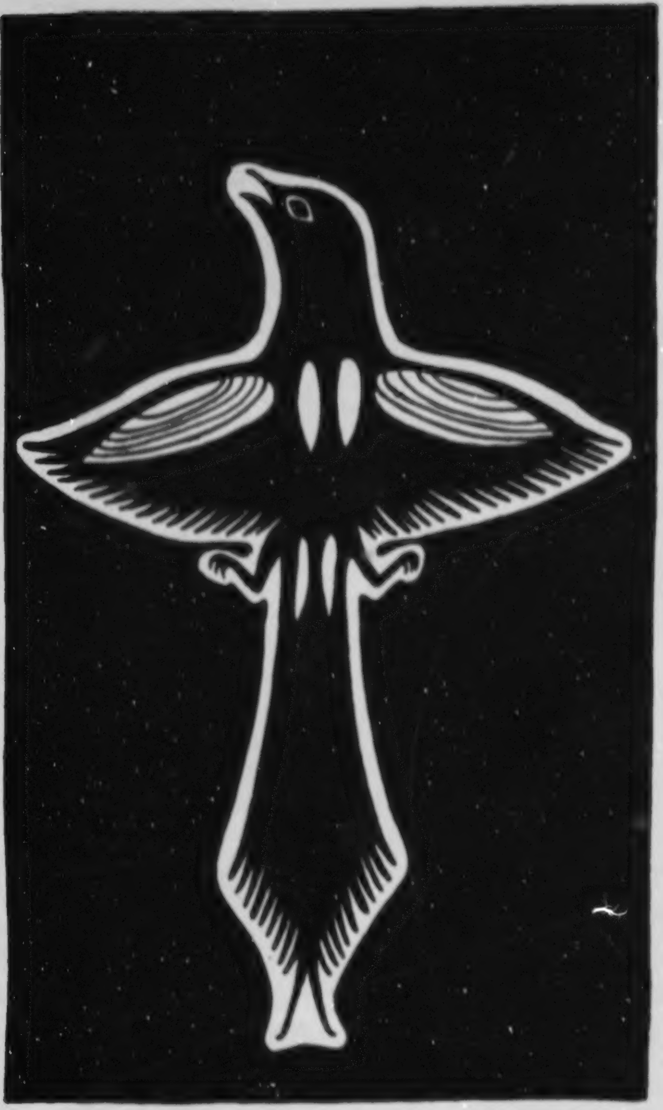


Illustration of Pawnee Art:

From a Ghost Dance Dress of painted buckskin in the Museum of the American Indian.

CHAPTER THREE

Establishing and Maintaining the Organization

Samuel Gardipe

The word "organization" as used in this chapter has two connotations: organizing the physical group to carry out the tribal economic development plan and organizing the economic development program for effective operation.

Policy and budget constraints will govern the size of the organization but regardless of physical size–one person or many–the principles of organizing the program apply.

In studying this chapter, it is left to the reader "to cut the cloth" to fit the local body.

PLANNING THE ORGANIZATION

The advent of federal funding to Indian tribes has allowed the tribes to utilize the developed economic skills of the Indian membership and to implement good management practices that will eventually lead to the self-determined economic development of reservations.

Planning a reservation's industrial development organization must first concern itself with the economic objective and goals the tribe hopes to achieve given the constraints of time and costs. It must be stressed that insignificant indeed will be the result if the planning process does not involve the tribal council in identifying and expressing the objectives and goals for the industrial development organization.

The planners, in establishing the industrial development organization, must ask themselves several key questions:

A. Establishment of priorities–what must be done and in what order?
B. The formal plan of action–how shall it be done?
C. Time constraint–when must it be done?
D. Cost constraint–how much will it cost?
E. Appraisal–what constitutes a satisfactory performance?
F. Review–how much progress is being achieved?
G. Adjustment–when and how will the organization take corrective action as the result of the finding through appraisal and review?

In speaking of organization, one can not overlook such management functions as planning, organizing, staffing, directing and controlling the work of others because management is "getting work done through people". Without getting into management philosophies and leadership styles which the industrial development practitioner will encounter, the organization he manages can well benefit by adopting the management approach suggested by Morrisey[1] whose MBO (Management by Objective) incorporates essentially a series of steps which may be followed in sequence or combined to fit the situation.[2] They are reviewed briefly here.

A. Define the Mission

What is the nature and scope of the industrial development work to be performed? This mission statement pertaining to economic development should come from the top level of tribal management. It should be broad in scope, ongoing and functional with an economic commitment. This mission will determine the boundaries within which suborganizations can pursue their objectives and yet be compatible. They may well entail the seeking of new opportunities to reduce the rate of unemployment and to raise standards of

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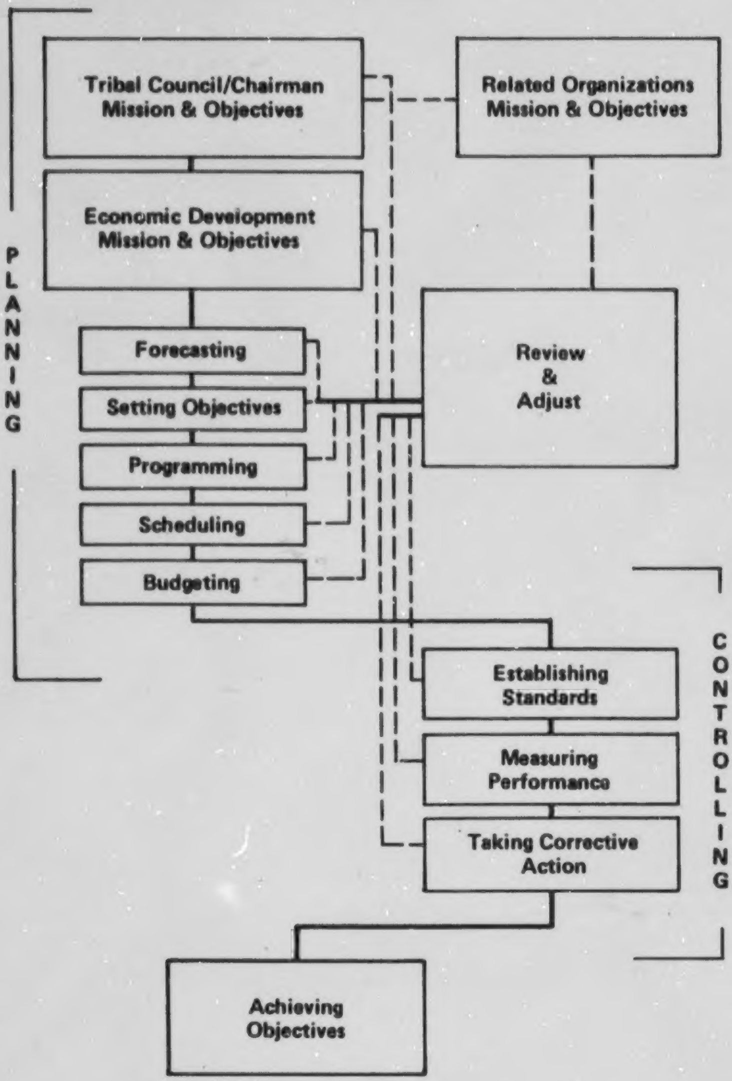
[1] "Management by Objectives and Results", George L. Morrisey, Addison-Wesley, 1970

[2] Chart A

CHART A

THE MANAGEMENT BY OBJECTIVES PROCESS



PLANNING
Tribal Council/Chairman Mission & Objectives
Related Organizations Mission & Objectives
Economic Development Mission & Objectives
Review & Adjust
Forecasting
Setting Objectives
Programming
Scheduling
Budgeting
CONTROLLING
Establishing Standards
Measuring Performance
Taking Corrective Action
Achieving Objectives

living while at the same time protecting the culture and life style of the people.

B. Forecasting

Forecast the type of effort needed over the period of the program. Forecasting estimates those things that may occur in the future which will have an impact upon the end objectives that management is pursuing. The procedure differs from financial forecasting which is essentially a part of budgeting. It involves common sense anticipation of what will happen if such and such a course is followed. It helps to determine the human skills needed and the equipment and the materials needed to accomplish the program (staff, office supplies and equipment, telephone, typewriters, postage, office space, costs such as rent or purchase, promotions and fringes).

Forecasting considers external and uncontrollable factors such as the economic environment (inflation, recession, energy), political and legal aspects, social and ethical constraints, competition and government. Forecasting allows the manager of the organization to anticipate new or different factors so that he may alter his plan of action when necessary.

C. Setting Objectives

This is probably the most critical activity of the MBO process. Objectives are the results to be achieved. Their establishment forms the basis for determining what activities should be performed and provides a basis for evaluating how well they are being performed.

Having considered the mission of the top level of management within the tribe and having determined the mission and goals of the industrial development organization compatible therewith, one is ready to identify the types of effort or specific improvements one wishes to place in objective form. For example: establishing the research and planning functions, the administrative function, the development function including preparing the community itself for the industrial, commercial and/or tourism development to follow.

Four points to be observed in the process of setting objectives are:

1. Determine realistic and achievable targets for each objective during the forecast period. (Chances of locating Ford or General Motors on the reservation are quite remote.)
2. Establish priorities for your objectives setting the most important first.
3. Determine a means of measurement, (capital investment in dollars, number of plants located, number of businesses created, number of jobs created or people employed) that will serve as an acceptable indicator of satisfactory performance against each objective.
4. Coordinate and communicate objectives to key subordinates and other knowledgeable and concerned individuals. Remember the effective manager gets work done through other people.

D. Programming

The program is the plan of action to follow in order to reach the objectives. How to operate one's program must be determined in the light of one's tribal situation and location. However, there are some general procedures that apply regardless of the peculiarities of one or another reservation or other Indian land. These are:

1. Study the situation and select a management method.
2. Gain agreement and support throughout organization.
3. Develop the plan of action.
4. Test and review the plan.
5. Implement.
6. Follow-up.

E. Scheduling

Scheduling will involve the assignment of calendar time to objectives and to their program steps. Such time can either be set by a number of calendar days or by an actual end-date. One method of scheduling is to start at an end point and work backward, rather than the opposite. When the program steps are determined, a time period for completion of each step is scheduled.

F. Budgeting

This is probably the most critical step in the process of management and planning of a program. It is here that dollar amounts are assigned to meet the mission, the objectives, the determination of material needs and the manpower requirements.

Budgeting is a valuable analytical tool to determine the cost of carrying out objectives. Before funding is achieved a budget forecast assigns a realistic dollar figure to activities or "line items". After adopting a budget it is a good practice to develop a periodic budget review that will itemize the amount budgeted for that period and the amount actually spent providing a comparison analysis. Corrective action can be implemented once a variance is apparent. Since the budget forecast has to be based on realistic, concrete estimates that must conform to objectives, the periodic report will provide a running, up-to-date financial picture upon which further management decisions may be made. In this connection the two budget items–communications and travel–will doubtlessly be difficult to control. In all cases the priority of objectives needs to be reconciled with the budget as the program progresses.

Chart B presents a hypothetical annual budget for a tribal industrial development operation. The approximate percentages are given as guidelines for a budget of any amount although certain items must be drastically reduced or deleted entirely in budgets of half or less than the given $40,000. These reductions would be made in light of the priorities of the tribe's overall economic development plan.[1]

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[1] See Chart B

CHART B

Sample Budget For
Tribal Industrial Development Program

	Amount	Approximate Percentages
Salaries	$20,000.00	50.0
Fringe Benefits	2,400.00	6.0
Office Rent	2,000.00	5.0
Office Supplies	1,200.00	3.0
Dues and Publications	500.00	2.0
Telephone and Telegraph	2,400.00	6.0
Postage	1,200.00	3.0
Travel and Prospect Entertainment	5,000.00	12.2
Printing and Advertising	3,000.00	7.0
Office Equipment	800.00	2.0
Industrial Executives' Visits	500.00	1.3
Contingencies	1,000.00	2.5
Total	$40,000.00	100.0

CONTROLLING

Controlling assures that objectives are effectively accomplished. It is the responsibility of top management which delegates its authority and responsibility to other levels of the organization. However, the ultimate success or failure of the program always rests upon the shoulders of top management. It must, therefore, control its organization. The situation is analogous to that aboard a ship. The captain is "top management". Even if a subordinate's error results in the sinking of the ship, it is the captain's "fault". His authority and responsibility insist that he control, although–of necessity—he must delegate his authority and responsibility to others as a practical matter. To do this effectively a control criteria is traditional aboard ships and so it is with any properly conceived organization. The control criteria essentially consists of establishing standards, measuring performance and taking such corrective action as may be necessary.

G. Establishing Standards and Measuring Performance

At the heart of the controlling function is measuring the performance but there must be a "standard" to measure it against in order to determine what is indeed satisfactory performance.

In order to establish a performance standard, one must first determine what is to be measured and what constitutes effective performance in terms of the elements of time, resources, quality and quantity.

The industrial development practitioner and those associated with the program, should understand and accept the standards that are established to measure performance. All should participate in initiating such standards in order to achieve the objectives realistically. Measuring performance by top management is a vital function that should be used to point out variances between planned performance and actual performance in a timely manner to the end that corrective action, if needed, can adjust the variance. Some methods available are: weekly or monthly reports, personal observation, call reports and tickler files. A word of caution about reporting: time is expensive. One must be sure that the reports are necessary to measure performance and not submitted just to report some insignificant detail.

SOME PROBLEMS FACED BY INDUSTRIAL DEVELOPMENT ORGANIZATIONS

The term industrial development itself can be misleading to a tribal constituency. To some, the image of industrialization may connote smoke stacks exuding pollution which will strangle the Mother Earth. Maybe it poises an image of exploitation by large corporations enslaving a population of disadvantaged persons who are willing to work at wages much lower than city dwellers. At worst, it may raise the fear that with the advent of successful industrial development on reservations the federal government will relinquish the responsibilities of its "special relationship" to Indian tribes and impose "termination".

It is beyond the scope of this chapter to explore the real or the imagined thrusts associated with industrial development. Properly handled, the benefits to be derived far outweigh any disadvantages. It is axiomatic that industrial development is a continuous, complex and time-consuming process. Unless the lightening of lady luck strikes results, if any, may not be attained for a period of years. Realistically speaking, it is well that all concerned understand this characteristic of the process to the end that top tribal management will not curtail the effort until it is given a fair chance over a period of time. We suggest a minimum of five years.

The federal government has spent millions to enhance the location of industry on reservations with the concurrence of tribal councils usually through resolutions. Industry has become, therefore, a prime objective of the economic mission of many tribes. An Indian employed by industry does not lose tribal social or cultural identity. In fact, survival of the family is enhanced by employment opportunities at home allowing for social and cultural pursuits of one's own choice.

Once the economic mission of the tribal council is agreed upon by developing specific economic development missions and objectives that mesh with the desires of the tribe and the support of the tribal leadership is obtained, the total organization will realize the commonness of purpose which will engender cooperation so necessary for development. These plans should be publicized.

The related non-Indian economic development organizations should be informed of the tribes' desires. Many of these organizations are nearby and most are willing to help. They include federal, state, municipal, utility companies, railroads, banks, other financial institutions and other groups concerned with economic development in the area. Many of these organizations have services, reports and information available. They are valuable allies, so contact, get acquainted and join them to make an industrial development team.

A most serious problem in development efforts is maintaining the continuity of the development organization since survival depends on funding. Organizational continuity should be made an objective and dealt as one of high priority. New opportunities become available every year. The development organization should continually keep itself informed about new legislation affecting Indian economic development. It should be prepared to solicit funding as new economic development aids become available from such sources as: The Economic Development Administration, the Bureau of Indian Affairs, Small Business Administration, private foundations, Office of Minority Business Enterprise as well as the tribe itself.

Summary

This Management by Objectives approach is no easy task, but those who use it, even in modified form, will find it very rewarding. The very nature of its approach is one of participation and cooperation with different levels of management within a tribal structure; a quality that is necessary for economic development of an Indian reservation. MBO is a long-range process that may take more than a year to implement fully. Large organizations[1] have a normal time span of from three to five years to implement this process fully. Some of its immediate benefits can be seen from its implementation within one organization of the tribal structure—the industrial development organization. It is suggested,

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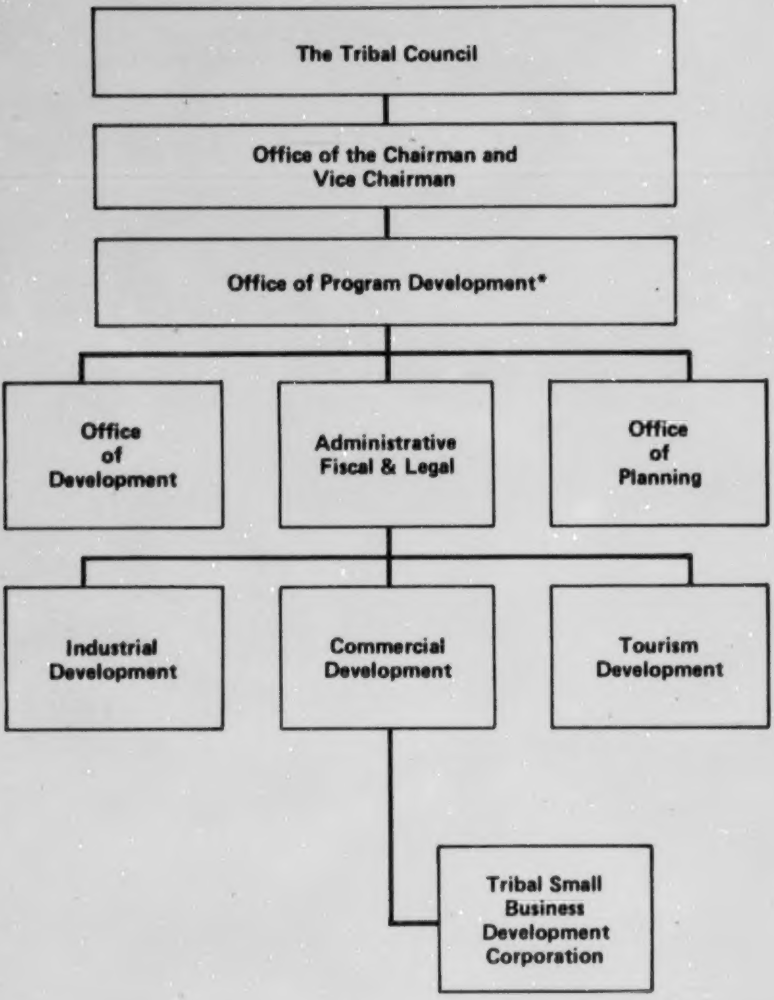
[1] See Chart C

CHART C

A TYPICAL LARGE ORGANIZATION


The Tribal Council
Office of the Chairman and Vice Chairman
Office of Program Development*
Office of Development
Administrative Fiscal & Legal
Office of Planning
Industrial Development
Commercial Development
Tourism Development
Tribal Small Business Development Corporation

*The Office of Program Development has been established as the regional authority responsible for planning and economic development.

however, that before the process is initiated the industrial development practitioner receive formal training which is available from many sources and usually requires from three to five days intensive study.[1] A consultant who has experience in the MBO process is a good investment in getting the process started.

Is the MBO process advantageous to I.D. organizations regardless of size within tribal structures?

A resounding YES is the answer. It allows for timely adjustments in strategy to overcome what might result in the failure of the tribe's economic mission. It allows for integration of the total organization. It improves communication by permitting participation of all levels within the organization. Each has a say in the direction to be taken toward economic goals as well as contributing toward their achievement. It will result in overcoming duplication of effort and inefficiency that may otherwise exist but most of all it will get results!

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[1] See Appendix B

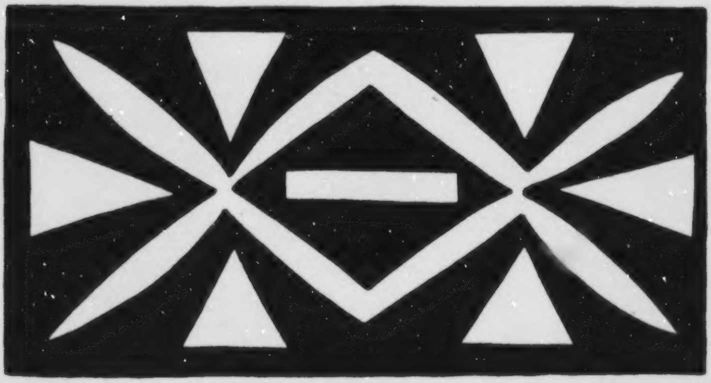

Illustration of Oglala Sioux Art:
From a design on a parfleche box (painted rawhide) in the David W. Clark Collection, W.H. Over Dakota Museum.

CHAPTER FOUR

Suspects & Prospects

Richard Sayers

To obtain from management its calculated decision to make a consequential capital investment in the identified potentials of a reservation or of tribal lands—

—that is **the end objective** *of all tribal industrial development operations. The overall program may have other objectives but the meat and potatoes are management's decision and investment!*

It follows that identifying the potentials and matching industrial categories to them, ascertaining what companies are most desirable and have an expansion potential and, then, obtaining their decision to make a capital investment are the fundamental activities of industrial development. All others are in support of this process.

In this chapter of the Manual, various techniques and procedures will be discussed for use by the industrial developer when working with suspects and prospects.

A "suspect" is an industry from which there is some indication of plans to expand or move and which would suit "your" community.

A "prospect" is an industry which has indicated some interest in "your" community.

Attracting an industry to a reservation is usually a long and difficult process involving a great deal of thought, time and work. The industrial developer who is working with industrial suspects and prospects, therefore, must have three main qualities. *First*, he must be a good planner with the ability to organize. *Second*, he must be very patient and forbearing. *Third*, he must be perseverant. Many times a prospect will decide against locating on his reservation. Disappointment may follow but this is by no means any reason to throw in the towel. Developers who have been in the business for any length of time have all gone through this phase of the process. Re-evaluating, making adjustments and the ability to begin the procedure all over again is of utmost importance.

The industrial developer will find the job one of many parts–complex and rewarding. The work requires of its practitioners that they keep themselves current. There are courses, institutes, seminars and conferences as well as audio/visual instructional media and a very considerable body of literature available. The practitioner desirous of performing professionally should take advantage of these educational tools.[1]

PREPARATION

For the purposes of this Manual, it is assumed that the tribe and its leadership desire to undertake a long-range industrial development program to generate jobs for the tribal members and thereby to strengthen the communal economic and social base. To this end, the tribal council has taken action to create an industrial development organization and has retained or delegated a person to develop its program and to handle its operations.

The first step for this industrial developer should be to acquaint the tribal council with the plans for an all-out attempt to expand existing industry and/or to locate new industry. A budget should be presented to the council requesting the funds necessary to carry out a program and, needless to say, it should be carefully explained in detail to secure council support. Their views are important on what type of industry would be most beneficial to the reservation as well as what types of industrial activity should be avoided.

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[1] See Appendix B

The tribal council should be kept informed of plans and operations as it is representative of the people. Reports to the council are an excellent broadcasting system by which the tribal individuals may be kept informed.

If the council knows what is being done in the industrial development area, it invariably will have a more favorable and sympathetic view when an industry does decide to look over the reservation and will not be surprised when an industry representative visits the reservation.

The next step is to begin preparing facts, figures and statistics that can be printed and which are available at a minute's notice. All printed material should contain clear and concise information that will portray exactly what the reservation and the communities located therein have to offer. Such printed material includes, but is by no means limited to, the following:

Maps

a) showing the geographical location of the reservation in the state and its position relative to major arteries of transportation, large and medium sized cities and towns and topographical features;

b) a map of the reservation showing the location of the lands reserved for industrial development (sites and parks) in relation to the reservation's transportation facilities, residential areas, community, commerical and educational areas and other features;

c) a map of each industrial site (whether alone or park) showing bounds, acreage, location of utilities, water and power lines adjacent to a site or installed in a park, road plan to service site or installed in a park, soil characteristics and physical resources;

d) a map showing the location of available buildings–

used or speculative–relative to or their location in industrial sites; and

e) each map should be accompanied by a brief written explanation of the features and attributes of its subject and how it relates to other maps.

Aerial or other photographs should be reproduced if possible and included in the written explanation of the appropriate maps. If they are used they should be clear and as detailed as possible.

General information on community facilities is desirable including brief but inclusive descriptions of: commercial enterprises, churches, schools, medical facilities, recreation areas, community centers, residential districts, vocational education facilities, etc.

Fairly concise information on the composition of the available and potential work force, wage rates by occupational skills, employment, underemployment and unemployment estimates and such other characteristics as may be appropriate.

Information on available energy sources, quality, prevailing rates and conditions. (Relate to site and industrial park maps.)

Information on tax advantages attendant to location on the reservation or tribal lands together with full information upon what taxes are in effect.

Information upon such existing industry as may be already located in the area including names of principal contacts, product, labor force and like material.

Visual presentations–slides or movies–to supplement the above information. Based upon the maps and other material, the visuals must be factual and descriptive. They are *not* public relations pieces. They are marketing tools and should be so conceived.

The tribal industrial developer should have the facts in and behind this material "down pat". Ability to answer questions promptly and accurately is essential as indeed is the ability to admit ignorance coupled with the knowledge of reliable sources from which to obtain the needed information promptly.[1]

The problem of composing a general suspect list involves considerable detailed work. The following questions must be answered–it being assumed that the reservation has the physical and human resources, the determination and the organization to undertake an industrial development program:

A. What types of manufacturing industry are suited to "our" reservation or tribal lands?
B. What types of manufacturing industries are expanding their facilities and appear to be the best for the long term?
C. Do they fit into "our" potentials?
D. What are the typical financial requirements of these industries and can "we" provide a financial package that will be attractive to them?
E. Shall "we" use the shotgun approach and go for whole categories of manufacturing industry or shall "we" use the rifle approach and concentrate upon a relative few firms within the general categories?

Once the study of industrial categories is complete–or reasonably so–and those having an economic fit with the area's potentials are determined, then comes the work of selecting those manufacturing firms within the selected categories that will make up the suspect list. In this work it is very advisable to inform as many allies as you can that you are seeking suspects in those categories. Generally speaking, your allies are development offices, departments and organizations which are concerned with the economic development of your geographic area and/or Indian reservations and tribal lands. For example, the Bureau of Indian Affairs, the Indian Affairs Desk of the Economic Development Administration, the American Indian National Bank, the state's economic de-

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[1] See Appendix A for check list

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velopment agencies, the area development offices of utilities, railroads and financial institutions serving the area, corporations located in the area or other companies that have an interest in the welfare of the Indian peoples—and so on. The possibilities differ from geographic area to geographic area.

If funds are available, the shotgun approach is feasible. Space advertising may be undertaken in periodicals that serve industries' facility planners and trade magazines of the industrial categories selected. A word of warning here—such advertising is expensive and at least six exposures in each selected periodical is the minimum required to do the job properly. Also, the writing and layout of such space advertising requires a specialist; so an advertising agency should be retained. Approach this part of your program as one of announcement. It may develop leads and, therefore, prospects—but do not count upon it. Also recall that once undertaken, the advertising program should be a major item each year in your budget. It pays to remind the companies in the desired categories that "you still would welcome their attention".

If and when, as the result of this shotgun approach, a reply from an interested firm is received, there will be homework to be done. In the rifle approach, companies are selected as suspects by virtue of their compatibility with the tribal economic goals. Something is known about them. On the other hand, nothing is known about a company that replies to an advertisement. A thorough investigation is, therefore, in order to answer such questions as:

- What is the suspect's management track record?
- What is its reputation and its reliability?
- What is its product and manufacturing process?
- How many of what type of employees and with what skills will it require?
- What is its wage scale?
- What are its land, buildings, utilities, services and financing requirements liable to be?
- Is it the type of industry the tribe is seeking?
- What would be its impact on existing community services?

These and questions like them must be answered. If the answers indicate that the firm is desirable, then proceed to treat the inquiring firm as a prospect. If otherwise, it is in the tribal interest to so indicate to the firm, recalling that industrial development fails in its mission when it acts from hunger for new industries rather than from reason and logic.

Coincident with the preparation of the selected suspect list and the advertising effort, an industrial development team should be organized. As the industrial developer for the reservation, you will still be the key man—but it is also necessary to have additional persons on the reservation involved. Not only can they help with the work load but it will present an expression to the prospect that others beside yourself are interested in their locating on the reservation. Some of the people you need to recruit are tribal council members, businessmen, industrial and any other community leaders. These people should be thoroughly briefed on what is expected of them if they are called upon to meet a prospect who is coming to look at the reservation. Thorough preparation is needed here as the prospect may take it upon himself to ask questions of each person who is accompanying him. This is why teamwork is a must, for if each person can readily answer a question about an element with which he is familiar, the reservation will make a favorable impression.

The process of developing prospects from the carefully prepared list of suspects is primarily your job as the tribal industrial development representative. It is lonely, often frustrating work hindered by lack of funds for extensive trips and seemingly a hundred other road blocks.

A personal, pre-arranged call upon a firm's executive is the most desirable means of contacting a suspect. If this is possible, be certain that you are at his office at least five minutes before the appointed time. Being late is as good a way to lose a suspect as would be missing the call altogether. After all, you made the appointment!

Personal contact is not always possible, particularly if considerable travel is involved. A letter followed by a telephone call will serve to alert the suspect of your interest. Recall that you have allies available and ask them for assistance in following up. The Division of Indian Business Enterprise of the Bureau of Indian Affairs and/or the Indian Industrial Development Specialists of the Indian Affairs Desk, Economic Development Administration can be most helpful in your contact and follow-up work.

If you are in a suspect's vicinity and have not previously corresponded, a so-called "cold call" may well produce results and, in any event, will alert the suspect firm to the fact that your tribe is interested in the company as a neighbor.

However the contract is made it is important that you "place yourself in the suspect's swivel chair"–: Why should I be interested in locating a branch plant (or whatever) on an Indian reservation, or on tribal land, particularly associating myself with the XYZ tribe? How earnest are these people and how businesslike are they? Can this company make a profit, stay alive in business in that area? What are Indians for that matter? Will they give a day's work for a day's pay or–? so go the prospect's thoughts. Your job is to anticipate his questions–voiced or not–and have the answers on the tip of your tongue or ballpoint pen.

From your list of suspects, the field will be reduced to the number of favorable replies you receive. These are your prospects now and upon them you will focus your attention. A word of warning here: keep adding to your suspect list and put the firms from which you received a negative reply on your "tickler list". Write them occasionally and let them know you are still interested in them, but drop them after a year or so if they continue to react negatively.

Once the prospect has been identified, the next stage will be to make the necessary arrangements to visit with him. Write a letter making a definite appointment if possible. In this way, you demonstrate your business-like approach and permit him to indicate whether he wants to handle the contact through the mail or by phone. If he advises you that he will be available on the date of your call, make the arrangements to visit with him then. If a time has been agreed upon, be sure to be prompt. Also, ask him if there is any information or publications that he would specifically like you to have with you. The intent of this call is to follow up letting him know that you are definitely interested in his company's expansion plans and operations, to interest him further in the reservation, to provide him with additional material you want him to see or that he has requested and to extend an invitation for him to make a personal visit to the reservation.

When the prospect decides to visit the reservation he may already have a definite date decided upon. Plan your schedule accordingly so that it coincides with his–not so that his coincides with yours. If the visitation date is left to you, the developer, choose a date as quickly as possible and forward it to him. Also, include several alternate dates so that he may choose the date which will best suit his schedule. When the date has been decided upon the real work begins.

A good starting point is to notify your team that the prospect is going to make a visit to the reservation. The prospect will usually notify you when he accepts your invitation whether he wants the visit kept confidential. If this is the case, advise your team members of the request and have them strictly adhere to it. Enough emphasis can not be placed on this type of request, for if any member betrays this confidence you will stand a good chance of losing this industry. Next, solicit their help because in most cases it is important to them to locate the industry. Inform them as to what the company manufactures, size of operation, reliability and any other pertinent information they should know.

Forward all requested information to him and also any material that is relative to his type of operation.

Begin collecting any survey material or publications that may illustrate facts and figures which may be parallel to his industry. These can include such topics as labor surveys, market surveys, transportation data or a community attitude survey if one has been undertaken.

Set up one or more plans that are optional and changeable and mail them to the prospect for his approval. Ask him if he has specific changes and what they are.

An always-accepted activity is a tour of the reservation. Practice making this tour previous to the actual visit so you will know the best route and the tour will not be too long and drawn out.

Next, contact the people he has indicated he would like to visit or who you think would be interesting for him to visit and get them prepared. Make sure they are going to be available on that day or, if not, whether they will have a suitable and informed substitute. If they have any particular data or publications that he may find interesting, be sure and have them available.

If the prospect is going to stay overnight, make the arrangements for him. If you are planning a formal luncheon or dinner, contact the people who have these facilities and make them aware of it. Assist them in planning the menu if they so desire.

When the prospect arrives for his first visit, be certain that he is met by the team. Failure to do so could result in his immediate departure and the loss of the industry. He considers his time very important and will want to utilize every minute while he is on your reservation. Have the transportation for the touring group ready to proceed at a minute's notice.

Ask him if there is anything specific he would like to do or see first. If he hasn't any, then proceed with the tour as planned.

Specifically, he will be interested in visiting your confirmed industrial sites and also any others that you may have under option. He will want to talk with already-functioning industries to see if the picture you have painted is correct.

As you are traveling together, he will be asking questions. Always respond with the truth, even if it may be a little difficult at times. For all you know, he may already know the answer and is testing your honesty. He did not accept the invitation for the visit without checking out the reservation.

Listed below are some suggestions that always apply when the prospect visits unless he has specifically indicated otherwise:

A. Do not plan too much to do. Avoid winding up hurrying from place to place. If he wants to stop somewhere that was initially not on the list, do so. Be patient.

B. Do not over-entertain. He is concerned with the possibility of locating an industry, not having a good time. If he should happen to bring his wife, be prepared to have something for her to do or see if she does not want to accompany her husband..

C. Keep the number accompanying him at a minimum.

D. Above all, ask the prospect if he wants the visit publicized or not. Many major companies are very particular when it comes to secrecy. Respect his wishes to the fullest.

E. Make it a point to present the unusual aspects of your reservation also. If you have to show him a bad point about your reservation, do so. He will then have the feeling that you are being honest with him and not trying to hide anything. He may even volunteer a helpful idea on how the community may improve the situation.

F. Have all pertinent industrial material ready and available so he can look it over if he so desires. Have the material that he may have requested earlier available for him to take back. If he wants additional information, tell him you will gather it and forward it to him.

G. Make allowances for disruptions that may occur in your schedule. The prospect may want to spend additional time at one place or another. Respect his wishes.

H. After the prospect has left, be sure and follow-up with him. As soon as possible, forward any material he requested. Write him a formal letter thanking him for the visit and for considering the reservation as a possible location of his industry. Ask him if, after he returned, there is anything else he wishes to know.

I. Not every visit will run smoothly. An evaluation of your team's efforts and the happenings of the visit will need to be undertaken. This is important so that the next visit by this prospect or another will be even better.

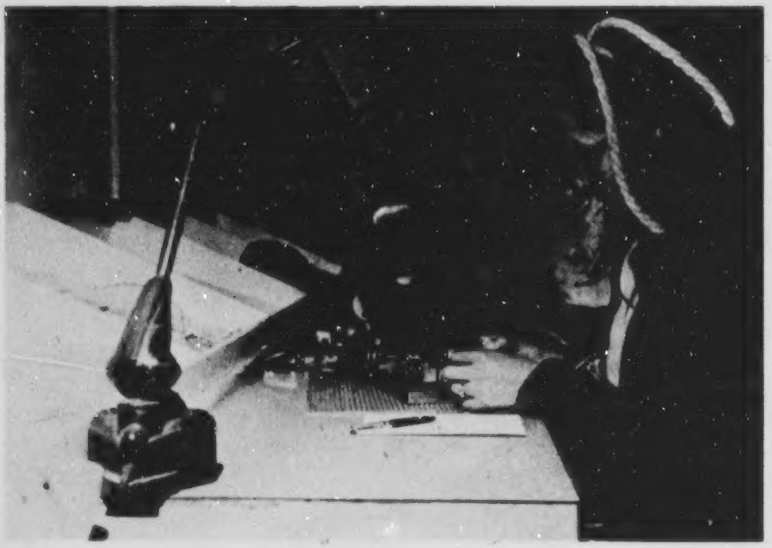
J. If he decides to locate on the reservation, be ready to negotiate immediately.

Recall that the most important "prospect" which you should keep in mind at all times is the industry or industries that have already located on the reservation. If you have maintained a good relationship with them you will find they are very useful, not only when they are considering expanding but also when a new prospect is looking at your community.

An excellent way to maintain continuous contact with industry is to have them join your local industrial development organization. Another important point to be made here is their constant contact with other types of business. Often times they are able to supply you with names of industries that would complement their process or are considering either expanding or relocating. In such a case, you will definitely have the jump on anyone else.

Above—Learning the art of data processing by doing—Gila River Arts and Crafts Center.

Below—Manual dexterity comes naturally to the Native American. An electronic component plant on the Pine Ridge Reservation, South Dakota.



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Existing industry also plays a very important role when the suspect or prospect actually visits your reservation. It is almost an accepted rule that they will want to visit with existing industry at one time or another before making a decision to locate. They will sometimes want to check with them to make sure the information you have supplied about the community is correct or possibly to check out the labor situation. If you have done a favorable job of working with existing industry, you will get a favorable recommendation. If not, chances are that it will be negative.

Another item to consider is what it will mean to your reservation if an existing industry decides to expand. It will provide additional employment opportunities for the area residents. It will mean more dollars circulating on your reservation. It should mean that your reservation has something to offer and that you have done your job well.

Last, but not least, don't ever fail to recognize local industry in your community functions. Possibly a day or week honoring industry would be appropriate, or an anniversary dinner of their coming to your reservation. Failure to recognize them could result in their relocating or expanding elsewhere.

PROBLEMS AND SUCCESS

There are many problems encountered by reservations in locating industry.

One of the major items is limited funds. The greatest portion of allotted money is spent for various programs for the Indian people of the reservation. This leaves little, if any, money for such items as major prospecting trips to large cities, good advertising and constant revision of printed material as the reservation progresses and, therefore, has more to offer.

Another is the turnover in the tribal council and the personnel employed by them. As every person does not have the same outlook on industry, sometimes all the work you have done in working with a suspect or prospect will not be suitable to the new council. It will be your job, as the developer, to continually remind them of the opportunities provided by the location of new or expanding industry on the reservation.

A great many of the smaller reservations are somewhat isolated from major highways, airports and waterways. Thus, there is the difficult transportation problem.

Over the past years, there has been a shortage of qualified people in industrial development on the reservations. Fortunately, this obstacle is gradually being overcome. The reservations are associating more closely with state and federal agencies, relying on them for assistance and the reservations have received grants from the EDA to construct industrial parks to entice industries to locate.

It is very possible that you can use these problems and shortcomings as an incentive to your team and especially yourself, the developer, when attempting to locate an industry. Due to these problems you must realize that a better-than-adequate job will be necessary to secure the industry. What you project and present to the prospect will have to be superior to any submitted by your competition. You will have had to follow the steps of the industrial development process far better than anyone else.

If you have followed the process as described and are truly organized, you will have the same chances as anyone else of luring the prospect to your community. This, combined with a super salesman pitch, should prove rewarding when dealing with prospects who are looking at your reservation.

Finally, if the prospect locates elsewhere, take the time to correspond with him and offer your thanks for his considering your reservation. Remember, a little courtesy goes a long way. There is always the future.

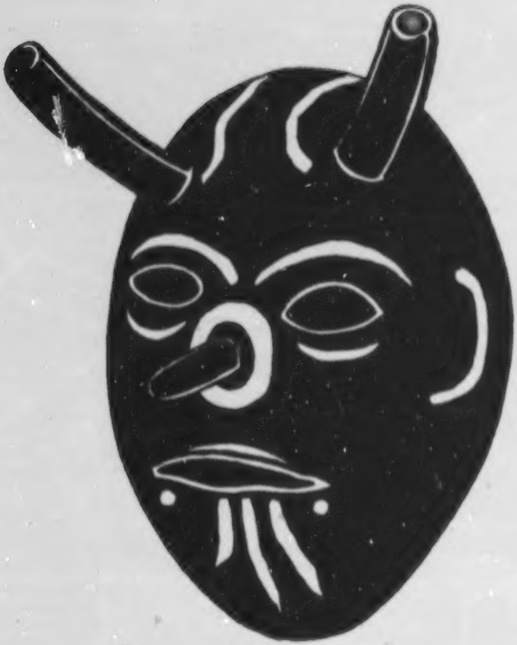

Illustration of Cherokee Art:

From a gourd mask in the University Museum, University of Pennsylvania.

CHAPTER FIVE

Industrial Sites & Parks

Roy L. Rogers
With The Editor

An essential tool in the chest of any industrial development organization is a site or sites suitable, committed and confirmed for industrial development use.

This would appear to be so logical a statement as to be left unsaid. Far from it.

Altogether too many programs can not list such land in their promotional pieces. Sure, they can list land "suitable for industry", but unless it is committed to industrial use by the tribal planning authority and confirmed in such use by the tribal council, then it is a dull or ineffective tool at best.

A native American and the Editor collaborate to explore the above observations in this chapter.

OBSERVATIONS ON INDUSTRIAL DEVELOPMENT AND ITS PRIME TOOL–LAND

The end purpose of industrial development programs wherever undertaken is twofold:

–to generate productive employment opportunities; and
–to strengthen the social and economic base.

Specifically in the context of the American Indian, the employment opportunities are for Indian peoples and the social and economic base is that of the tribal community for whom the program is being undertaken.

Such productive employment opportunities–jobs–may be in any type of industry which is in harmony with an area's potential: manufacturing, commercial, service, recreational or a combination of these industries.

To accomplish its twofold purpose, an industrial development program must include certain tools with which to operate. The prime and basic tool is land; not just any land, but rather that land which is best suited for the type of industrial development activity to be undertaken.

As the most stable type of productive employment opportunity is to be found in the manufacturing sector of industry and as manufacturing facilities have the most specialized of requirements, the discussion of industrial sites in this chapter deals with the manufacturing sector and its related activities.

Despite this specialized treatment, it must be constantly recalled that the principles involved in the selection, (designation, preparation and marketing of sites for manufacturing industry) apply to such other job-producing activities as commercial, recreational and service industries.

It is well to mention here that industrial development is a long-range and an expensive undertaking to which land, natural and human resources must be dedicated. Once committed to an industrial development program, the effort must be total or the human and material substance of the tribe will be dissipated. The tribal council and the tribal industrial development organization, therefore, share a common and considerable responsibility that should not lightly be undertaken nor denied.

The designation, preservation and development of land for industrial purposes demonstrates well the commitment of the tribal authorities to the improvement of the social and economic base through the process of industrial development. Nothing is more evident of tribal intent than the presence of this essential industrial development tool: land confirmed for the generation of job opportunities.

TRIBAL CONSIDERATIONS REGARDING SITES

As suggested in Chapter One, the American Indians traditionally differ from the non-Indians in their concept of land. It is not a commodity to be used and traded by its owner. Rather, it has a communal, even religious connotation.

In addition to this cultural constraint, most Indian lands today enjoy a special legal status. These conditions, of course, do not apply to land purchased on the open market by American Indians. Such land is not "Indian land" as referred to in this Manual.

It is in light of these special circumstances that Indian land is set aside for industrial development by tribal authority, prepared, marketed and leased by manufacturing or other industries under the direction of tribal authority.

The development of Indian lands is hampered by another special circumstance–financing. Private capital for development is difficult–and in many circumstances impossible–to acquire. The collateral simply is not present in view of the constraints on ownership of Indian lands.

In consequence, financing the development of land set aside for industry depends upon the ingenious use of public and tribal funds. The Economic Development Administration has the greatest latitude in grant and loan programs for land development. Collaborating programs are available through the Bureau of Indian Affairs and other federal sources. In some states Indian tribes may take advantage of financing plans made possible through state permissive legislation. Chapters Six and Seven of this Manual treat with this subject in considerable detail.

In designating or approving tribal lands for industrial use, tribal authorities should take into consideration the relation of the land to such other land uses as housing and transportation. Industrial development must be a part of the comprehensive land use plan. If it is not, it can be self-defeating.

Recall that its purpose is twofold. The jobs it seeks to generate are primarily for the tribal and other Indian peoples. If this first purpose is not realized the second, social and economic base, will suffer accordingly. Commuting time, distance and means of travel are, therefore, of very considerable importance.

The special characteristics of Indian lands is a potent reason for retention by the tribal industrial development organization of legal advice which is both familiar with these special characteristics and with the principles governing industrial development. Today what was once a relatively simple process of management decision-making has become increasingly complicated under such federal regulations as those of the Environmental Protection Agency and other agencies. Legal advice protects the interests of both the tribe and its prospective investor industrialist.

Other tribal considerations in designating certain lands for industrial use will be reviewed as other aspects of the process are discussed in the chapter. So, we come to the meat of the matter; what lands are suitable and what are the standards to be used in their designation and preparation.

LAND FOR INDUSTRIAL DEVELOPMENT

Land which is truly suitable for industrial development is by no means abundant in any community, be it situated on or off Indian reservations or tribal lands. There was a day when industrial use was at the bottom of the Land Use Ladder. The most undesirable locations in the community were tagged "for industry" and that was that.

Modern day manufacturing companies just can not be located "anywhere" on any old piece of land. They have building, access, transportation, traffic and a host of other requirements that demand land suitable to accommodate these needs. Land selected for industrial development, therefore, should be determined in the light of the following considerations:[1]

a) **Physical**
   –reasonably level land preferably with not more than 5% slope, capable of being graded without undue expense,
   –soil texture capable of bearing manufacturing plant and traffic loads,
   –away from flood plains, fault lines and like hazards,
   –posing no great threat to the natural environment of the area in which located;

b) **Access**
   –direct access to commercial transportation facilities (trucking, railroad, airport and deep water channels when available),
   –within easy commuting time of residential areas (Indian and other labor force),
   –road and highway system which presents minimum risk to persons utilizing residential, commercial and recreational facilities in the general area; and

c) **Services**
   –power, water, waste disposal facilities and protective services available on or near the industrial land.

It is quite reasonable to expect that parcels of land which meet the above general conditions are to be found on most Indian reservations or tribal lands. They should be set aside and reserved for industrial development through the process of comprehensive planning.

Single purposed planning of land use is now a thing of the past. It is obvious from the above considerations that the interaction of uses must be given careful study. For example,

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[1] Industrial Real Estate, 2nd Edition, SIR, Washington, D.C. 1971

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[1] Industrial Real Estate, 2nd Edition, SIR, Washington, D.C. 1971

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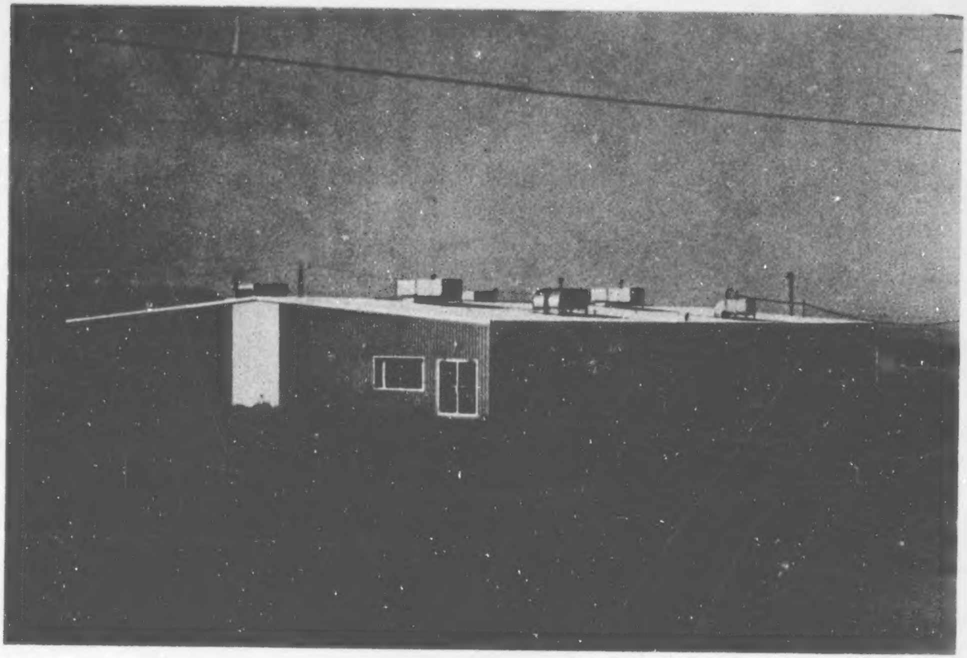
Buildings do not have to be ornate or complicated as witness this plant in the Zuni Industrial Park, New Mexico. Modern insulation methods are used to conserve energy and reduce operating costs.



"easy commuting time, etc."; the entire purpose of generating job opportunities for the Indians residing on the reservation or on other Indian lands can be defeated if the development of existing or proposed housing is so situated that "easy commuting time" is an impossibility or if the industrial land is so located that its traffic is a menace to residents. One use must complement the other insofar as it is practical to do so. There are other considerations of similar importance. It stands to reason, therefore, that the tribal land use planning must be comprehensive.

The land established for industrial development in the comprehensive plan possesses those special qualities mentioned in this chapter. Reclassification of such land should not be undertaken without most serious consideration. Temptation to reclassify will take place if only for the following reasons: industrial development as a long-range process and industrial lands may take years to be fully utilized; priorities are constantly changing with changes in tribal leadership; other land use needs seemingly "more pressing" than industrial development may arise. Pressures, therefore, are constantly present. To reclassify is, of course, the decision of tribal authority, but in arriving at its final determination the responsible authority must be constantly aware of the hard fact that it is withdrawing a very essential and unique tool with which the tribe can shape its economic and social destiny.

While there are several categories of industrial lands, for all practical purposes, those that apply in the context of Indian reservation or tribal land use planning are industrial sites and industrial parks.

An industrial site customarily refers to a parcel of land from five to ten acres which possesses the qualities discussed above. It can not be considered suitable for industry, however, until tribal authority has designated it and legally reserved it for industrial use exclusively. Once so committed, prepared and priced, it can be considered a "confirmed industrial site". This term literally states that the tribal industrial development organization is in the position to market the property and enter into negotiations with prospective investors. Anything less than such a definition makes the site that much less attractive. Tribal Council Government and the manner in which it normally functions, whether justified or not, often tends to impede expeditious, definitive actions. By taking prior action to affirm a "confirmed industrial site", the Council assures unencumbered negotiations between the tribal industrial development organization and its prospective capital investors.

This is an important point. No investor–no matter how potent his motivation may be, profit or alturism–can afford to tie up investment capital while tribal authorities study and debate. Either the site is "confirmed" or it is not. Either it is a true tool of the tribal industrial development effort or it is at best a mere "come-on".

It may be assumed that it is a true tool; then what does that imply over and beyond confirmation by tribal authority?

The "confirmed industrial site" should be planned for one or more industrial plants or a related activity such as warehousing. Not only should a combination of lots appear in the plans but also streets, utility lines, water and sewer lines and like installations should be laid out.[1]

Recalling that this is a "confirmed industrial site", tribal authorities should have given their assent to the installation of these necessities. The tribal industrial development organization should have explored, requested and obtained at least assurances of intent from federal agencies to finance by grant or loan their installation when a firm makes its decision to settle thereon.

In short, the tribal authorities should be as prepared as is possible to enter into negotiations with a qualified, prospective investor to accommodate his desire to lease the land and to build or lease a suitable manufacturing facility upon it. Granted, it will take time to realize his desire but the land having been confirmed well ahead of time and its use foreseen through planning will greatly decrease the overall time.

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[1] Plate A (Page 65)

An industrial park (or organized industrial district) is that much more attractive to potential investors. Be it noted here, however, that such a development is no panacea for the economic and social problems of a reservation or tribal community. Indeed, unless vigorously marketed, it may be just the reverse—a white elephant.

An industrial park is a confirmed industrial site of over ten acres which has been fully prepared for industry by the necessary cut and fill, the installation of a street network, the installation of water, sewer and utility lines and the writing of covenants, so-called, which protect the character of the park, the tenants within the park and the public and tribal funds invested.

An industrial park is an expensive industrial development tool. Customarily, its preparation requires a federal grant from the Economic Development Administration and a full commitment to industrial development by tribal authorities on a continuing basis. It by no means assures that prospective investors will "come a *runnin*" but it does emphatically illustrate that the tribe desires to progress through economic and social development.

Once created, the industrial park must be managed by a competent administrator who should have training in the art of industrial development.[1]

It can be assumed here that such an individual monitored the actual construction of the park and is retained to administer its operation. His responsibilities vary according to the program of the tribal industrial development organization.

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[1] Appendix B

Certainly he will be responsible for the direction of the park maintenance and the relationships between tenants (when procured). He will be charged with financial responsibilities and will advise the organization and the tribal council upon courses of action to improve the park's services. He will handle public relations with tenants, prospective tenants and the adjacent non-Indian community. He may also be called upon to engage in prospecting on behalf of the park. In short, he must be a person upon whose shoulders can rest the success or failure of the park to the extent permitted by the attitude and understanding of the tribal authorities.

To aid the manager in his business affairs, an attorney (sic) who is familiar with intricacies of federal agreements, the tribal government, industrial development and business negotiations should be retained. No one person, no matter how well trained, can be expected to manage such an undertaking without professional legal advice. Similarly, advice should be available from a responsible Indian or non-Indian attorney particularly if the tribe decides to erect a so-called shell or turnkey speculative building in the park or upon a "confirmed industrial site".

SPECULATIVE BUILDINGS

Speculate is defined in the dictionary as "to engage in risky business transactions on the chance of great profit". The definition less the word "great" well describes a speculative building program anywhere and particularly in the context of Indian industrial development.

There are two types of speculative buildings:

1) The turnkey–a finished building ready for occupancy by a firm which pretty well fits into the established layout; and
2) The shell building–just that. It is the shell of a substantial building ready to be finished to the specifications of a committed manufacturer.

Both are types of dynamite, the former has the caps attached.

Before undertaking a speculative building program, a tribal industrial development organziation should be of proven ability and one that reflects the full and continuous confidence of the tribal council and the tribe itself.

While a speculative building is a potent, added tool to that possessed already in the form of an industrial park or confirmed industrial sites, no federal funding for such a program is now available (9/75). Therefore, the tribal authorities must commit tribal funds for the entire undertaking. Assistance from private financial institutions is almost entirely precluded by their inability to mortgage reservation or trust lands.

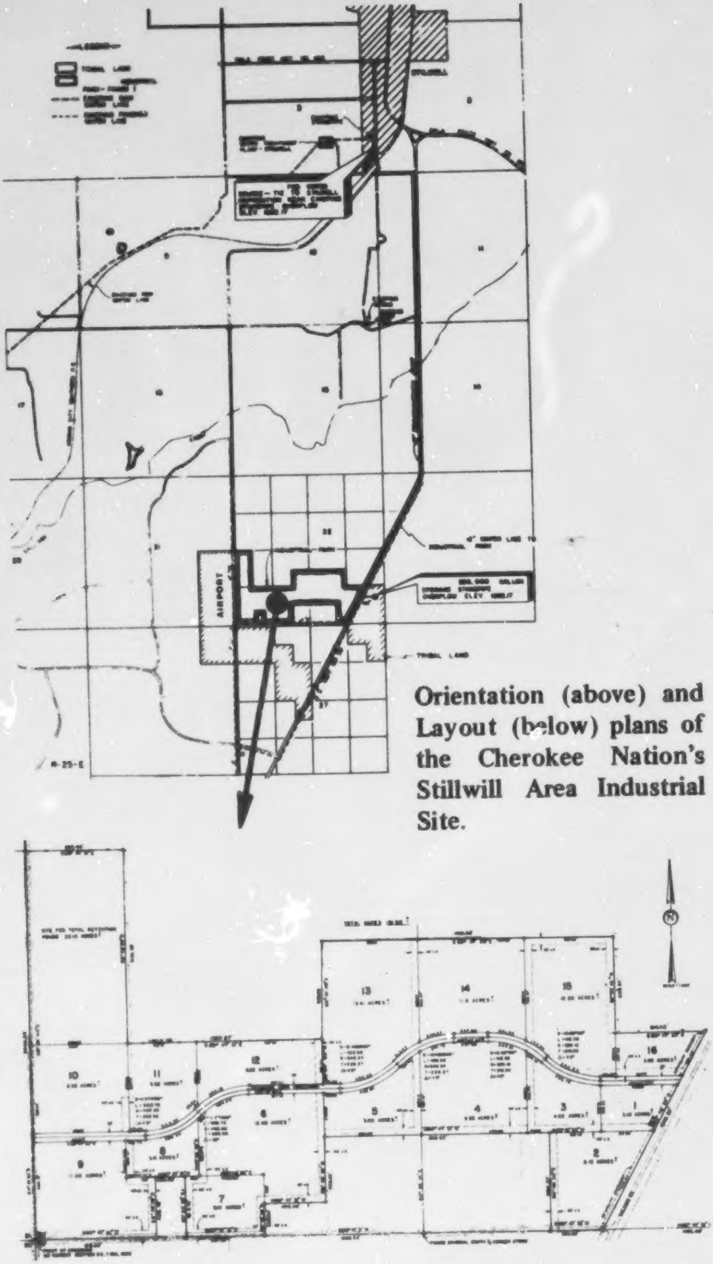
Speculative buildings are an option for any tribal industrial development organization but suffice it to note here that "You Have Been Warned". Do not gamble unless prepared to wait a long time for success–if any.

Summary

A "confirmed industrial site", be whatever designation is given, is *the* essential tool of a tribal industrial development operation. It not only demonstrates tribal commitment but physically proves that the tribe desires to attract capital investment which not only will provide employment opportunities for tribal members but will also strengthen the tribe's economic and social base.

It is not enough that such land be confirmed for industrial use by the action of one tribal council. To be an effective tool, the confirmation must be for a period of years, both to preserve its use as an essential tool and to preserve it in the name of the firms which have located on the land.

Land suitable for industry is special and valuable. It must be so treated by all concerned.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Orientation (above) and Layout (below) plans of the Cherokee Nation's Stillwill Area Industrial Site.

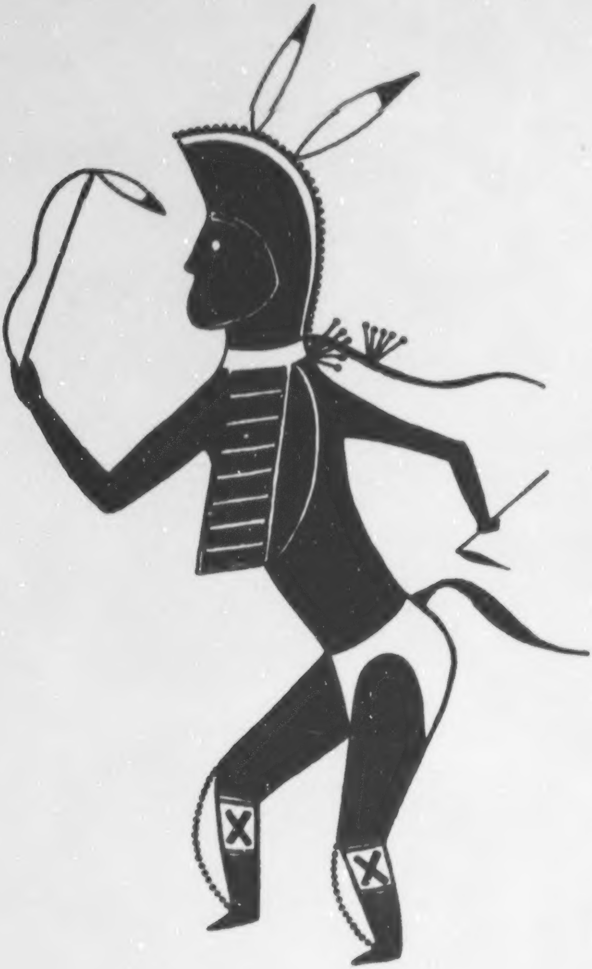


Illustration of Gros Ventre Art:

Design taken from a painted antelope hide, in the U.S. National Museum.

CHAPTER SIX

Financing Industrial Development on American Indian Reservations

Frank Ryan

Forethought and preparation are the keys to successful industrial development.

Nowhere is the axiom more pertinent than in the area of industrial project financing.

A combination of "package deals" should be structured ahead of time to the end that the "deal" which is most attractive can be readily fitted to the requirements of the prospective manufacturer or other investor of capital.

The fact that private funds are by no means as available to Indian industrial developers as they are in non-Indian situations, requires the Indian practitioner to be familiar with the many sources of public funding and to work out combinations that can be readily applied. It further requires that one be familiar with the ways and means of applying for and receiving such funds with a minimum of delay.

DEVELOPMENT PROCESS

Each year in North America many corporations expand to new locations, new businesses start up and many relocate to a more favorable environment. Each one of these moves is the product of financial planning in its broadest sense. Just as water seeks its own level, corporations or businesses seek larger profits. It is axiomatic that businesses seek locations where costs can be minimized and profits maximized. The mini-max solution is the goal of all financial planning.

Important things happen during the planning process. First, the company which seeks to expand to a new location conducts a market and financial analysis of what the cost of producing more revenue will be within the locus of a target market area. For example, if the company wants to be within one-day shipping to its market it may, depending upon its product, seek to analyze several different locations within a 500-mile radius of its market center. If there are three large towns and one Indian reservation within this range the company will probably make a preliminary analysis of all sites. The company, without tipping its hand, may drop by to look over the towns and the reservation and to meet with local officials. If not properly prepared, such a visitation could be disastrous to a tribe's industrial development effort.

For example, let us consider three general scenarios for companies visiting Indian reservations.

In the first case, a company representative arrives and looks for the local tribal representative. He goes to the tribal office seeking someone knowledgeable about "all those incentives" his company keeps hearing about. The representative spends the next two hours being shuttled from office to office, from the CAP office to the BIA programs officer, to the Planning Board (which does not meet for another week), to the tribal planner (who is at a conference in Washington D.C.) and sometimes to an innocent by-stander. The by-stander is usually delighted to be informed that the tribe has an industrial park–a fact he had not known. The representative leaves Ft. Ignorance in his rented Avis car never to return. Fortunately this situation is becoming the exception rather than the rule.

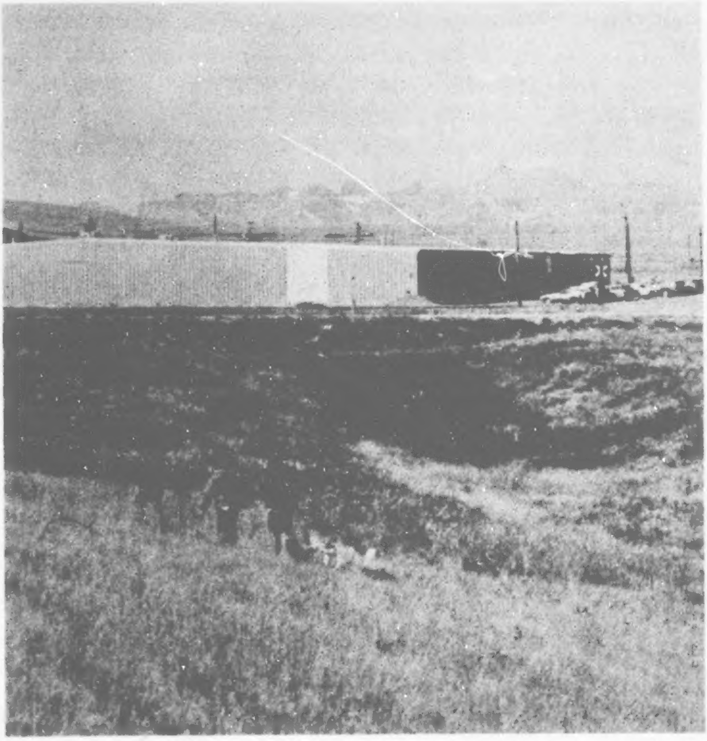
The second situation occurs when the company representative arrives and is met by an energetic tribal officer in charge of economic development. This economic development specialist wants the company to locate so badly that he is willing to exaggerate claims and says anything to keep the representative interested, secretly hoping that he can actually deliver on his promises. The representative asks fairly specific questions but the answers are vague and equivocal. When he asks about financing, such an economic developer would list alphabetical acronyms of federal agencies rather than deal with the company's specific financial interest. Instead of getting his questions answered the representative becomes increasingly confused and uncertain as to whether the tribe can deliver on its claims and uncertain as to what may happen to his career if he recommends to his superiors that the company locate at Ft. Lostcause.

In the third situation, the company representative arrives and there is someone there he can talk with. The representative and economic development specialist ask each other specific questions because they need specific answers. The company may ask why it sould be interested in Ft. Opportunity's industrial park. What methods of financing are there? How realistic is the possibility of the tribe getting funding or financing for the project? Are there other companies on the reservation? What wages do they pay? What absenteeism problems are there? Can the company get funding to train Indians at its home plant in Carcinogen, New Jersey? What about land rental, leasing terms and taxes? Is there housing available for company executives who will have to move to the reservation?

Depending upon the company and its particular needs such specific questions will require accurate answers. The same is true of the tribe. The tribal council will want to know if the company will fit into the tribe's overall economic development plan. Does the tribe want an "all-female" employer when most reservation employment is already female? Does the tribe desire a company that wants to put nothing into the new plant but its experience and ideas and wants a short lease with no rental bond? Does the tribe want a company which will employ 500 people when there are only 250 Indians unemployed and means bringing non-Indians into the reservation to work?

In short, the third situation is that which should take place. Here the parties endeavor to match up their respective needs and goals. If the decision on both sides is to pursue the matter further, when the representative leaves town in his rented Avis car, he has changed from a "suspect" investor into a "prospect" investor and now becomes the target of the reservation's industrial development program.

It is a rare day when real estate alone will sell itself. In industrial development the prospect company, the tribal developer and the tribe do not try to see each other as God would see them, but rather in terms of "what can you do for me"? As a consequence, developing sources of financing and incentives are important steps in the process of realizing a successful transaction.



"The Inspectors"–Blackfeet Industrial Park
Browning, Montana

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When the tribe has developed a financing plan consisting of various financial methods, options and incentives and is committed to standing behind its economic development efforts, it will be able to offer one or more prepared packages which are tailor-made to suit the needs of the tribe and the company. The financing plan and incentives the tribe offers can make the difference in thousands of dollars to a prospect company. It may be the critical element in determining whether or not a prospect decides to locate.

FINANCIALLY DEVELOPING AN INDUSTRIAL DEVELOPMENT PROJECT

Regardless of whether one is negotiating the location of a facility for a corporation or pursuing work on starting up a local tribal business, one will need access to available sources of financing and funding. In order to obtain project financing it is necessary to present a convincing case. Familiarity with financial analysis, capital formation and financial projections is helpful. The process begins with an information search. Gathering information and various materials will be important in determining whether the proposed project is a "South Sea Bubble" or the "Real Thing". Corporation financial and product data, financial estimates of the proposed project, various financial projections of sales, expenses, cash flow and working capital requirements are all important aspects of the project which must be thoroughly considered before one makes the decision.

Corporation Data

When there is interest in following up on the prospect then the following are necessary: a description of the company, the nature of its activities, its capital structure, location of home [illegible] other facilities, principal stockholders, directors and mar[illegible] In addition, a current balance sheet and Profit & Loss statements for the last three years should be analyzed.

Much of this information is available in the company's Annual Report to its stockholders, and is probably on record with the State or Federal Securities and Exchange Commission as well as in many large bank research libraries. The report gives basic information, past history of the company and statement of corporate health and stability. One may also seek a confidential report on the corporation from one of the many available services such as Dun & Bradstreet. It must be remembered that the company's report is a public statement of opinion as to its financial condition. A confidential report, however, portrays the company as others in the financial community, creditors for example, regard it. Such information as poor credit–a history of late payments or even current litigation problems may surface.

The economic developer should analyze this information in the process of determining if the prospect is worth pursuing. For example, a company which faces declining sales and is already overextended or is a defendant company faced with a patent litigation on its produce line may well be a case wherein the economic developer would be better off advising the tribe not to pursue the prospect. Usually, however, preliminary analysis of this information will lead the developer to begin work seriously with the prospect company.

Proposed Project Cost

It is necessary to outline the proposed project in some detail and then to estimate the cost. Providing that both the prospect and tribal economic developer have adequately formulated the scope and extent of the project and have reduced the project to its many requirements, it is often wise to have an architect/engineer on a speculative basis provide estimates as to the cost of the project. On the basis of meeting the company's specifications, the architect can be retained to design the building–its dimensions, layout, peculiar requirements such as large doors, railroad siding, spur, etc. It is a particularly good idea to inform the architect of the company's needs from the beginning, thus avoiding costly changes later. The company's production process may require a particular layout which will affect building dimensions, location of freezers, materials used in construction, as well as the levels and positioning of machinery and equipment. All costs related to the project such as land, parking area, water and sewer lines, generators, landscaping and fencing must be considered.

The following is a purely hypothetical breakdown to illustrate a million-dollar widget factory of 40,000 square feet on 2½ acres:

Proposed Project Cost

1.	Test boring/soil analysis		$ 3,500
2.	Site improvements: grading, levelling and access road		121,000
3.	Water/sewer lines		26,000
4.	Building construction: steel pre-fab, air conditioning, 40,000 sq. ft. @ 10 sq.ft.		400,000
5.	Railroad siding and loading area		50,000
6.	Utilities and generator		55,000
7.	Parking lot		24,000
8.	Fencing		5,000
9.	Machinery and equipment		169,500
			$854,000
10.	Architect/engineer design and inspection	$50,000	
11.	Legal fees/licenses, etc.	6,000	
		$56,000	$ 56,000
12.	Contingency Fund @ 10%		90,000
	Total Project Cost		$1,000,000

Once you have determined what the cost of the proposed project is, the next step is to determine whether the development is worth undertaking.

Financial Considerations

Depending upon the method of financing, the proposed project will have different financial requirements. For example, if a company were to use its own reserves of capital to finance an expansion, there would be no increase in liabilities. There are few companies, however, which have sufficient capital to finance major expansions by themselves.

A company might wish to finance expansion by selling more stock but this could mean a dilution of ownership through an increase of stockholders. Or, a resulting decrease in net income per share might adversely affect the stock's price-earnings ratio thereby precipitating a fall in the price per share. Consequently, the company's board of directors may not wish to finance expansion through equity.

A company might want to finance its expansion through debt. It may do this through sales of corporate bonds or borrowing. In this case there would be an increase in the company's liabilities on its balance sheet. Shareholders may not want their company to increase its liabilities because of a possible negative effect on the price per share or because debt takes first claim on company assets over equity or because debt payments may reduce dividends.

An alternative possibility would be for the tribe to finance the proposed project through a combination of federal grants and loans, private capital and its own resources. The tribe could borrow the necessary financing and set up an "amortization plan".[1] As a basis for negotiating with a company an amortization plan for the repayment of indebtedness can be established. It requires partial payments for the principal and accrued interest at stated periods for a definite time at the expiration of which the entire indebtedness will be extinguished. The tribe could then lease the facility to the prospect for a term of years equal to the term of years required to amortize the assets financed. The lease by the tribe would reflect amortization, land rental, insurance and possibly maintenance. Such maintenance could be required of the prospective lessee.

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[1] Amortization periods must conform with legalities governing Indian trust lands.

The tribe could then provide the facility to the prospect in one of several ways including: leasing, lease/purchase, joint venturing and management contracting. No matter which method is used, there has to be sufficient evidence that the debt will be liquidated.

By using the above financing methods there would be no change in the prospect's assets or net worth. Yet, the prospect would be liable for the entire term of the financing.

The first advantage to the tribe stems from increased employment. Second, the tribe would own the facility once amortized. Renegotiated leasing could provide additional tribal income. Third, if the tribe owns all the personal and real property–machines, equipment, building, etc.–then there is no state tax on the property, whereas if the company owned the productive assets of the plant, it could be subject to state taxes. There are, of course, many methods of financing and the tribe and company should work out a plan which represents the optimal solution for both.

Once the prospect and tribe agree on a method of financing, the prospect can, on the basis of its other costs such as raw materials, labor, transportation, etc., better estimate profitability. The company can compute all of its costs associated with the project evaluating them against its projections for sales income. Financial projections for operating expenses, capital requirements, cash flow forecasts and break-even points can be calculated. On the basis of these projections, the company will be in a better position to decide if the cost of undertaking the new project is justified. If the company is satisfied with the projected profitability, the next step is for the tribal economic development specialist to use this data in making his proposal to private and public sources of financing.

Wherein the financing of machinery is concerned, the following would be feasible in most states. With the fluctuating money market experienced in recent years, economic developers should keep their options open through plans to use "public moneys" such as industrial revenue bonds. This could be attractive for a prospect company under certain circumstances. Like most options, it is simply another tool in the economic developer's tool box.

The economic development specialist will need financial projections and other supporting documents when he makes his presentation for financing. He will need to submit a project plan which describes the project's scope, goals and methodology. Financial statements of the company and financial projection data are necessary. The following documents may also be needed: resumes of the company's principals, business references and personal financial statements (if the company is small). One may also need corporate tax returns, copy of the proposed lease, incorporation papers or tribal charter or seal and any licenses or permits needed.

Now the economic development specialist has his project and he is ready to sell it but to whom? The next step in the process is to sell the project to sources capable of financing it and of these there are many capable but, in reality, only a few are probable.

SOURCES OF FINANCING

There are a number of sources which can provide financial assistance to Indian economic development projects but there are two unique problems which provide the context in which such financing must operate. These areas are the trust status of Indian land and tribal jurisdiction over civil matters. Private lending institutions are reluctant to provide loans when the security on the loan is limited to the project financed. This is a natural concern for banks since the project may involve specialized equipment and building which would have little resale value if there were a default on the loan.

Since the land can not be collateralized and is protected by its trust status, tribes are frequently at a loss to provide necessary collateral for the loan. Even for the wealthier tribes which have income from other tribal enterprises, the income is usually committed to other tribal needs. There is also a growing concern among financial institutions that recent court decisions in favor of tribal jurisdiction in civil matters will preclude foreclosure or attachment in default of loans. If the bank must file suit in a tribal court which has jurisdiction over the property on the reservation, there may be some fear that recourse to tribal courts will not be successful.

As a consequence, special trust status and jurisdiction present a two-edged sword. They exist to protect tribal assets, yet they may act as an impediment to economic development. It is this background context which federal agencies often fail to understand properly when tribes approach them for funding or financing, yet it is this context which makes tribes greatly dependent upon federal guarantees to private lending sources. As the economic development process continues tribes come to rely on federal lending, grant and guarantee programs to participating private lending institutions.

The once reticent role of the private banks has been elevated to a considerable extent through Indian initiative. The American Indian National Bank (AINB) is now a source of private capital oriented toward assisting Indians in the protection, development and control of their resources. AINB is chartered by the Comptroller of the Currency and officially began operations in Washington, D.C. on November 15, 1973. AINB is a member of the Federal Reserve System and fully accredited and insured by the Federal Deposit Insurance Corporation (FDIC). The bank is wholly owned by Native Americans. AINB was formed in response to the needs of the national Indian community and provides banking operations, venture capital, industrial capital and insurance services to Indians throughout the United States.

Most federal lending programs usually guarantee only 90 percent of the project. The ten percent which is not guar-

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anteed is an incentive to financial institutions to oversee the loan and to get involved with the tribe. The program's long-term thrust is to create a financial relationship between private sources of capital and Indian tribes, for it is obvious that in the long run if tribes experience sustained economic development, there will be less reliance on federal assistance and a greater partnership with private enterprise.

Private financial sources should not be overlooked, however. As sources they are quite varied. Properly viewed as investors, they have different goals and expectations with regard to investment projects. Churches frequently have national programs dealing with social and economic development. The Campaign for Human Development is just one such source. There are great numbers of foundations, each as unique as its charter or trust. Insurance companies are major national investors and have well diversified investment portfolios. Many, for reasons of corporate conscience or public relations, set aside blocks of millions of dollars for minority business investment. Until recently, most of this has been invested in depressed urban areas. There is no reason why insurance companies could not invest in an Indian project if one were presented to them. The project might offer a certain amount of Madison Avenue sex appeal which would improve one's corporate image. People would not just be buying a "piece of the rock" but investing in the first Americans. The old frontier is now the "new frontier" of investment. Other private sources such as commercial banks, savings and loan institutions, industrial corporate lenders and even union pension funds may offer varying terms and interest rates to tribal projects.

In addition to federal and private sources of financial assistance, there are state agencies and quasi-state sponsored development sources. State development corporations may provide financing for equipment, machinery and building construction. State vocational-technical schools provide a source for training labor in specialized skills required by the indsutry. There may be a state agency which can raise financing by selling tax-exempt bonds to make loans for tribal projects among other purposes. If the bonds are backed up by a state guarantee, there is no reason why they would not be marketable. Under certain circumstances an Indian tribe may qualify for financing through state industrial revenue bond financing for a strong company. Generally, however, state-Indian relations have not been close. States and their political sub-divisions may be reluctant to assist tribes with financing since companies locating on Indian reservations would not produce a tax return to the state as large as it would if located off of the reservation. The added fact that most states have non-existent or limited jurisdiction over Indian reservations tends to stiffen their resistance.

Most existing economic development projects on Indian reservations have either directly or indirectly benefited from federal assistance or financing. The federal agencies which have been most active and catalytic in this area have been the Economic Development Administration, the Bureau of Indian Affairs and the Small Business Administration. There have been other federal agencies and programs which have also provided enthusiastic support but the support has been more in funding infrastructure,[1] social services and demonstration-type projects rather than funding or financing of industrial or business development.

The following presents more information on the EDA, BIA and SBA. These three agencies are of primary focus because they are the ones which provide the means for financing industrial development. Other agencies discussed later in this chapter provide excellent innovative and support operations but in the battle for economic development, these are in the forefront.

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[1] Infrastructure is a broad term encompassing both social and economic considerations. Its social connotation generally refers to those physical improvements in an area which improve general community welfare. Its economic connotation refers to physical improvements which make an area attractive to industry.

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ECONOMIC DEVELOPMENT ADMINISTRATION

In 1967 the EDA established an Indian Desk in recognition of the importance of assisting in the economic development of the Indian people, particularly those on tribal lands and reservations. In EDA's first fiscal year it spent approximately $4,000,000 on Indian projects. In fiscal 1975 the agency spent approximately $32,400,000 for Indian projects. The EDA offers comprehensive assistance to Indian tribes. Planning grants, technical assistance grants, public works grants and loans and business development loans have formed the major elements of assistance.

In February 1974 the Economic Development Administration formed, as part of the Indian programs, a special Indian Industrial Development section to stimulate economic growth on reservations. This office coordinates three main activities. First, that of working with the tribes to determine which business and industrial activities would be welcome on each reservation. Second, the office contacts individual companies in growth industries to inquire about expansion plans. Third, the office advises on financing methods such as those discussed here. Essentially, this office promotes industrial site location for all Indian areas.

Indian tribes have become qualified for participation in EDA's "Regional Excess Property Program" and Title X's Job Opportunities Program. The two programs which have been of most financial assistance have been the Public Works and Business Development programs.

The Public Works program provides grants for infrastructural programs and in some cases partial grants for buildings and equipment of tribally-owned and operated companies. The thrust of the program is to create the proper economic environment as well as to provide incentives to business development. Grants for public facilities such as water and sewer systems, access roads to industrial parks, industrial parks, port facilities and cranes, railroad sidings, tourism recreational facilities and site improvements for industrial projects are among the many types of EDA Public Works projects. In many cases public works grants can make the crucial difference to the economic success of the development project.

The different types of major projects funded by EDA on Indian reservations are Industrial Parks, Tourism/Recreation, Multi-Purpose/Training Buildings, Demonstration Projects and Planning Grants and Assistance. The objectives of the grants are to improve the opportunities for successful establishment or expansion of industrial or commercial facilities. The basic grant rate is 50 percent of the project cost. It is possible for Indian tribes to receive from 80 to 100 percent grants because they are classed as severely depressed areas and have difficulty matching federal funds. Sometimes public works projects are financed through loans. There is a maximum term of 40 years. Low interest loans are made when financial assistance is not available from another source. The The EDA Public Works loan is similar in scope to the Farmers Home Administration (FmHA) Business and industrial loan program. It is not uncommon to see some of EDA's public works projects made up of both grant and loan.

The Public Works grant and loan program is probably the most effective means of financing infrastructural development necessary to attract industry. Since both loans and grants are taken out of the same allocation, a project requiring $100,000, whether it is a grant or a loan, decreases the total allocation by the same amount–that is $100,000. Consequently, there is a natural tendency to make grants rather than loans.

The EDA Business Development Program is concerned with encouraging private investment in depressed areas of high unemployment by providing low interest, long term loans to help businesses expand when the project can not be financed through banks or other private lending institutions. Business Development loans may be used to provide up to 65 percent of the cost of fixed assets, buildings, machinery, equipment, land preparation and building rehabilitation.

Lummi Aquaculture Research establishment—a project financed by state and federal agencies which pioneers in the yet far-from-perfected art of "farming the sea".

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Left–eggs

Above–fingerling

Right–product

The EDA will provide 65 percent of the project cost and will take a second mortgage[1] position on the fixed assets financed. A private lending institution will be given the first mortgage position if it provides 20 percent of the cost. The remaining 15 percent must be provided by the tribe or a local development company as equity. It is possible to borrow part of the equity which becomes third mortgage money subordinated to EDA. Public Works and Business Development Programs together can provide vehicles for financing industrial sites located on the reservation. There are other options in using the Business Development Program; many of them are complex and dependent upon state permissive legislation. The economic development specialist should investigate the options available to his tribe.

Suppose that the American Widget Company of Carcinogen, New Jersey, a wholly-owned subsidiary of the International Widget Company, is interested in expanding and locating a plant closer to the West Coast. Because of increased competition from the Texas Gadget Company (with plants in Mexico along the border and warehousing in Tucson), and rising gasoline prices and freight rates, American Widget becomes interested in minimizing production costs by locating on an Indian reservation. Widget has become interested in a brochure it received from the Ft. Opportunity Indian Reservation and so it dispatches a representative to Ft. Opportunity immediately. After a long discussion of the reservation's unique incentives and location, the company representative and the tribal economic developer conceive a financing plan utilizing only EDA assistance.

The representative confides that the company will only be interested in locating if the tribe is prepared to lease it a building designed to meet its specifications and lease it machinery and equipment. The tribe considers that if it borrows the money from the federal government, builds the plant and leases it, it will have ownership as well as the benefits of the lease and the company as employer. The fact that the tribe would own the project, of course, offers tax savings incentives. There are many financial plans and variations possible; therefore, the following would only represent one possibility:

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[1] Second Mortgage: one which takes rank immediately after a first mortgage on the same property without any intervening liens, and is next entitled to satisfaction out of the proceeds of the property.

Proposed Project

1)	Site preparation, grading, access road, water and sewer lines, parking area and fencing	$ 300,000
2)	Building construction, steel pre-fab 30,000 sq. ft. @ $10/sq. ft.	300,000
3)	Machinery and equipment of various descriptions, serial numbers, models, cost per unit and quantity	400,000
	Total Project Cost	**$1,000,000**

On the first part of the project the tribe might make an application to EDA for a 100 percent grant. Or, the tribe might total the first and second parts together and apply for a 50 percent grant and 50 percent loan. Under part three, the tribe might investigate the availability of government excess property under a "use" permit either through the Department of Labor, BIA, or EDA. If this is impracticable and the tribe wishes to finance the $400,000 purchase of machinery and equipment, then the tribe might apply for a Business Development loan. The breakdown would roughly be:

1) Tribal revenue: equity requirement @ 10%	$ 40,000
2) Ft. Opportunity Development Company @ 5%	20,000
3) Private lending institution: such as banks, insurance companies, revenue bonds, etc., takes first lien on the machinery @ 20%	80,000
4) EDA Business Development loan takes second lien position @ 65%	260,000
Total Project Cost	**$400,000**

As for the American Widget Company, it could make an application to EDA itself for a working capital guarantee. The tribe would prepare a lease with a term of years equal to its amortization plan. The lease would reflect this plan. In this connection, standard leasing forms should be discouraged and an attorney with good experience in drafting real estate and equipment leases should be retained. Particular care should be exercised in drafting the Assignment, Subletting and Default clauses of the lease so as to protect the tribe's investment and maintain a non-taxable situation.

BUREAU OF INDIAN AFFAIRS

The BIA maintains a Division of Indian Business Enterprises which provides technical assistance to tribes in improving economic conditions on the reservations. Bureau programs, in contrast to the EDA, were designed more to assist the individual Indian entrepreneur.

The Indian Finance Act has four features that provide authority to the Bureau of Indian Affairs to finance industrial projects. These are:

1. **Grants to aid in the establishment of Indian-owned businesses**—Under this provision grants of up to 40% of a project can be made with a maximum grant of $50,000 to any one project.

2. **Direct Loans**—Direct loans are made available for tribal businesses and individual entrepreneurs through tribal governments. The interest rate fluctuates similar to other federal programs and is based upon the coast of borrowing money to the federal government. Priority for these loans is given to projects that develop Indian entrepreneurs in business categories approved by the tribal government.

3. **Lease guarantee-interest subsidy program**—This program is designed for larger projects. Under this provision a federal guarantee of up to 90% of a project is available. An interest subsidy which reduces the cost of borrowing the money, to the direct-loan interest rate is an additional feature. Since this is only a guarantee, the money must be sought from a conventional source. The guarantee provides collateral for obtaining the money and the interest subsidy insures that it will be available at a competitive rate.

4. **Technical assistance**—Though this provision is not fully implemented, the intent behind it is to provide consultant-type assistance to develop projects and assist Indian tribes and individuals in developing viable businesses.

The Indian Finance Act is developing into a very popular program because there is sufficient flexibility to adapt to the needs of a particular situation. It is also possible to combine the Finance Act with other forms of federal financing.

The BIA On-The-Job-Training Program provides financial assistance to industries planning to locate on or near reservations and other Indian lands. The BIA's programs are well supplemented by the Department of Labor's Comprehensive Employment Training Act (CETA) of 1974. It offers even greater latitude in training options for Indians wherever they may be located. Funded by the Department of Labor, CETA's versatility stems from its being a categorical grant program.

All such grants are let pursuant to the Comprehensive Employment and Training Act (CETA). Indian tribes on Federal and State reservations are eligible for direct grants under title II, title III, section 302 and title VI. All Indians and other native Americans, who qualify are eligible for services provided by Indian and native American prime sponsors funded under title III, section 302.

Titles II and VI are primarily for the purpose of providing for public service employment positions. Title III provides for summer youth programs and further provides for comprehensive manpower programs and services such as on-the-job training, work experience, public service employment, institutional training and such services as child care and transportation.[1]

The BIA OJT program provides adult vocational training. A firm located on or near or intending to locate on or near the reservation may enter into a contract with the BIA to train Indian workers who will work in the plant when it is constructed. In some cases the BIA will pay the expenses of sending the Indian OJT candidate from the reservation to the company's manufacturing plant in another city or state for training.

Since there tends to be a rather high rate of labor turnover and absenteeism in the first year among industries which locate on Indian reservations, the fact that the OJT program is continuous and reimburses the company up to one-half the starting wage for each worker in training, means that the high labor costs can be reduced. The contract amount is agreed upon by the BIA and the company, with the company designing the training program it requires. The maximum term of training is two years with few exceptions.

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[1] From letter dated September 19, 1975 to Editor from the Director, Division of Indian Manpower Programs, Manpower Administration, U.S. Department of Labor, Washington, D.C.

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As an example of the OJT program in operation, assume that the American Widget Company plans to locate on the Ft. Opportunity reservation in 18 months. It is concerned about training local Indians to work in the plant. The company has had several meetings with the tribe and has agreed to train local Indians for management positions in the company as well as production workers. The company says that it will need 250 workers total for the first two years and will have them work in two shifts. The economic developer works with the company to determine the job classifications, number, duration and peculiar requirements of the program Both of them work closely with the BIA Employment Assistance officer who develops the training documents and contract between the BIA and the Company. The BIA officer conducts job interviews if necessary.

SMALL BUSINESS ADMINISTRATION

The SBA was created in 1953 to help small businesses. In 1968 with Operation Business Mainstream, a substantially higher volume of loans were made to minority-owned businesses. The SBA has the option of lending directly or guaranteeing loans financed by private institutions. The SBA, like EDA, considers itself a lender of last resort. There are three basic financial programs for assisting economic development. These are: The Regular Business loan, the Economic Opportunity loan and the Local Development Company loan.

Regular Business 7(a) loans are made to assist small businesses through guaranteed, insured and direct loans to construct, expand or convert facilities and to purchase building, equipment, materials or for working capital. These loans are made to small businesses which are variously described as a matter of agency policy. The Economic Opportunity loan provides disadvantaged individuals with financial and management assistance. This loan has a maximum amount of $50,000 for a term of 15 years. These two loans are designed to assist small businesses and individuals.

The Local Development Company (LDC) Section 502 program makes loans available to small business concerns located in or locating in their area. These are direct, guaranteed and insured loans which are available for the purchase of land, buildings, machinery and equipment, or for constructing, expanding or modernizing buildings. No working capital financing is provided, however. The loans may not exceed 25 years. Loans are available to local development companies which are established under state or tribal incorporation statutes, either on a profit or non-profit basis.

Generally, 20 percent of the project must be provided by the local Development Company, but in the case of Indian tribes only 10 percent may be required. The 10 percent may be partially, and in some cases, be totally financed from other sources. For example, if the LDC is required to raise $25,000 of the $250,000 for the project it may borrow up to $6,250 from the company which will lease the plant and possibly borrow $18,750 from the BIA Revolving Loan Fund. Thus, the equity portion of the project could also be financed. Of course, the SBA would frown upon such an arrangement, but in certain circumstances where the project is outstanding and the only obstacle to success is the requirement of 10 percent tribal equity, certain arrangements can be made where the equity can be borrowed. The SBA's statutory maximum is $350,000 for each small business assisted.[1]

The SBA provides many management and financial services which should be thoroughly investigated. Among its programs is the Minority Business Development procurement Assistance Program which tries to assure participation of minority-owned business in federal contracting. This program utilizes authority provided to SBA under Section 8(a) of the Small Business Act, to enter into procurement contracts with other federal agencies and to subcontract to others the performance of contracts SBA has obtained. The SBA 8(a) program has assisted such enterprieses as: Warm Springs Forest Products Industries (plywood and lumber), Eastern Navajo Indians Inc. (explosives), Cherokee Enterpriese (construction), Jamez Yah-Tay Industries (woodworking) and the Mille Lacs Reservation Business Enterpriese Corporation to name only a few.

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[1] This maximum may be raised by Congressional action.

An industry located on the reservation may not be able to obtain SBA assistance for federal contracting under the 8(a) program because the industry would not be owned by the tribe. But, the SBA has a regular procurement assistance program which should be investigated. It may also be possible for the company to qualify for such assistance on the basis of its high employment of minorities, i.e., Indians. There is a Department of Labor policy which stipulates that procurement preference in the awarding of certain government contracts will be given to firms stating their intent to employ disadvantaged residents of certain areas including Indian reservations during the term of the contract.

Suppose that the American Widget Company and the tribe decided to use SBA assistance. First, the tribe would probably try to get the EDA to finance the $300,000 for part one of the project (site preparation), but would finance the building through the local development company loan (maximum limit of $350,000). The tribe would have to raise $30,000 as its 10 percent equity and borrow the remaining $270,000 through the Ft. Opportunity Development Company. The American Widget Company would make its own application to the SBA through the Regular Business loan 7(a) program for its equipment and working capital. After the financial package is arranged it may be possible, on the basis of procurement assistance, to qualify the Widget

Company for special procurement contracts with the federal government since its employment is almost exclusively Indian. Now Widget has the opportunity to obtain preference in its bidding on government contracts for widgets and will be able to under-cut its competition, the Texas Gadget Company, in government contracting.

Finally, the Minority Vendors Program provides services to businesses capable of supplying goods or services to major corporations. Since the inception of the program in 1973, SBA has enrolled 2,000 minority firms along with 500 participating majority corporations in this program. Sixty-five percent of all majority corporation requests have been matched with minority firms.

To expedite Indian assistance, the SBA in 1975 established an Indian office.

FINANCIAL PACKAGING

There are many sources of financial assistance available to the tribal economic development specialists. Some are more appropriate than others. Companies across America receive a barrage of mail weekly hearalding the advantages of locating a facility in such places as Paducah, Kentucky or Pawtucket, Rhode Island. Most brochures advertise the availability of 100 percent financing among their "incentives". An incentive is something which encourages or stimulates one to act. But, if most locations offer 100 percent financing, is such an offer an incentive?

The difference among the offers lies in the particular method of financing chosen. In viewing the following financial packages remember that each has a different financing cost, although the same project cost is financed.

A. **Proposed Project**
   1. Site improvements

EDA PW Grant	100%	$ 100,000

2. Building Construction		
EDA PW grant	50%	
EDA PW loan	50%	
	100%	500,000
3. Machinery/Equipment		
Tribal revenue	10%	
Ft. Opportunity LDC	5%	
USA Insurance Co.	20%	
EDA BD loan	65%	
	100%	200,000
4. Working Capital		
SBA (7a) loan	100%	200,000
Total Project Cost		$1,000,000

B. Proposed Project

1. Site improvements		
FmHA business loan	100%	$ 200,000
2. Building		
Tribal Equity	10%	
SBA 502 guarantee of Yankee Pension Fund	90%	
	100%	350,000
3. Machinery/Equipment		
Widget Co. reserves	100%	200,000
4. Working Capital		
EDA BD guarantee First National Bank	100%	250,000
Total Project Cost		$1,000,000

C. Proposed Project

1. Site improvements		
EDA PW grant	100%	$ 200,000
2. Building construction		
Widget loan to tribe	2½%	
BIA loan to tribe	7½%	
Tribal Equity	10%	
SBA 502 LDC direct loan	90%	
	100%	350,000
3. Machinery/Equipment		
SBA 7(a) to Widget	100%	200,000
4. Working Capital		
EDA BD guarantee of Indian National Bank	100%	250,000
Total Project Cost		$1,000,000

D. Proposed Project

1. Site improvements		
EDA PW grant	50%	
EDA PW loan	50%	
	100%	$ 200,000
2. Building construction		
SBA 7(a) to tribe	100%	350,000
3. Machinery/Equipment		
BIA "use" permit	100%	200,000
4. Working Capital		
SBA 7(a) to Widget	100%	250,000
Total Project Cost		$1,000,000

The above examples demonstrate the flexibility of federal lending programs and some of the variations which can be made. In each example there is wide latitude for participation by private lending/investment institutions. Some examples have greater participation by private sources than others and some have a greater mix of federal participation. It is important to note that there is no "right" method for all situations.

The key to successful site location or business start-up is not so much in being able to finance 100 percent of the project as it is in being able to finance at a cost which will yield the prospect his greatest profits. Therefore, it is extremely important for the tribal economic development specialist to work closely with the prospect in order to determine correctly what his needs are. In the final analysis, the prospect will narrow his choice between two locations and make his "mini-max" selection.

The Office of Native American Programs (ONAP) in the Department of Health, Education and Welfare has provided substantial grants to Indian tribes. One of ONAP's long-range goals is to "provide flexible financial resources for filling gaps in economic and human development". ONAP does not make loans but it can provide project grants which support economic development projects.

This has been but a brief introduction to financing economic development on American Indian reservations. The financial sources discussed above represent only a few of the many sources of financial assistance available. It is appropriate to note that a number of other sources exist and should be thoroughly investigated. If the tribal economic development specialist has worked closely with the prospect and has been able to tailor a financial package which meets both the tribe's and prospect's needs, a successful location should result.

In conclusion, the tribal economic development specialist should be familiar with as many financial programs, methods and possibilities as he can. He should never be in a position of finding himself randomly knocking on doors looking for funding or financing for his pet project. From the very beginning the tribal economic development specialist should develop a well considered plan of action with alternatives so that if one door is closed on the project he will be able to proceed upon another course. He must be a "man for all seasons".

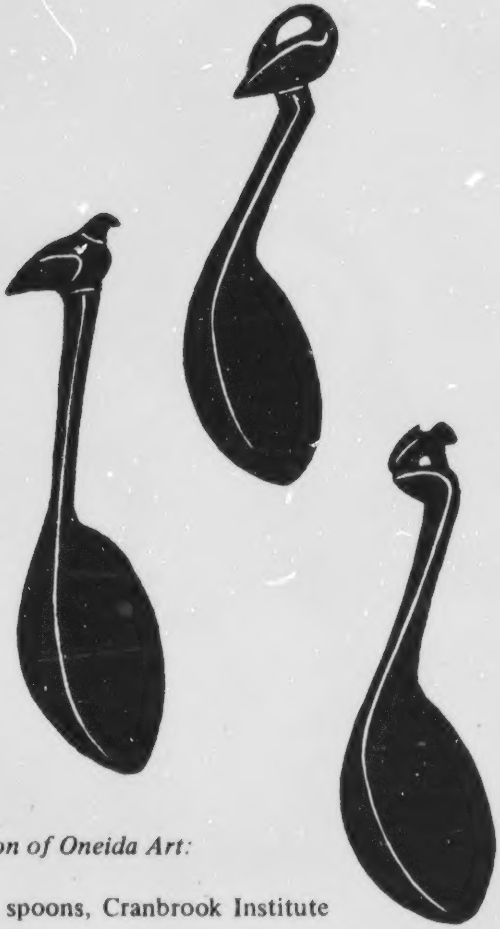

Illustration of Oneida Art:

Effigy spoons, Cranbrook Institute of Science.

CHAPTER SEVEN

Aid to Existing Industry and Related Activities on Indian Reservations

Wendell McLester

Seventy-five to eighty percent of industrial development funding in any one year is expended in plant expansion of existing facilities. It is, therefore, essential that every industrial development program pay close attention to the welfare and needs of local enterprise. Not only is it a valuable neighbor but it has a hidden potential that should be identified and, at the appropriate time, realized.

Whether local existing enterprise be Indian or non-Indian, it is a valuable asset to the tribe and should be nurtured and aided to the end that it will prosper, grow, encourage the startup of other enterprises and be a potent weapon in the tribal program to attract new enterprises.

Indeed–existing industry must be the first consideration on any industrial development agenda.

This chapter discusses problems and types of assistance which the economic developer may provide in solidifying the stability of the industry on a reservation. It reveals a variety of avenues of assistance in which the developer can strengthen his position in the Indian community in order to accomplish the tribal industrial development goals.

The role of economic developer or reservation planner requires the wearing of more than one hat, depending on the particular needs and wants of the reservation.

It is well to note, however, that the title "economic developer"[1] connotes an intricate knowledge of just how the local system of "tribal government" operates. For obvious reasons, the economic developer should not become involved in the political system.

In recent years, there has been heavy emphasis placed on industrialization as a means of improving reservation economies. The many federal, state and private programs which are available to *qualified* applicants provide the ways by which tribal governments may become self sustaining.

Those Indian reservations which have industry are fortunate and have undoubtedly laid the ground work for future development. As the saying goes, "success begets success". In other words, the best potential advertisement to prospective new or expanding industry is a successful business community on the reservation.

The economic developer's role, therefore, does not end with the promotion of new industry. It includes a continuous process of assistance to whatever the needs of established firms may be whether it be monetary or technical assistance.

For example, because of limited resources an industry is in need of assistance in the marketing of its particular product. On a regularly scheduled visit the economic developer becomes aware of the industry's problems and is either asked or offers his assistance. In this case, the economic developer may contact the state's economic development agency by whatever name it is known. The industry can receive direct marketing assistance from this agency or the agency may refer it to another assistance group within the state government system such as a tax-supported university business assistance and counseling centers. In most cases these services are rendered at no cost to the business being assisted. Marketing assistance is the example here; however, assistance through these state agencies covers almost all other problems a business might experience.

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[1] [a term many Indians prefer to "industrial developer" although both refer to the same function]

The types of industries on reservations can generally be classified into three basic categories: 1) the industry which is a partnership between the tribe or tribal individual and non-Indians, 2) a non-Indian venture which has located on the reservation because of one or more of the many unique incentives available and 3) an all Indian-owned business, either tribal or individual. Such enterprises are, in the eyes of most Indians, one of the most important categories.

The categories of businesses and industries located on Indian reservations throughout the country are varied; however, many similar problems face them in their need to maintain and grow as the economic process demands.

It is, therefore, essential that the economic developer be fully aware of the two very important factors relative to economic development success in Indian country. The first is recognition of the political structure of the tribe and its established priorities regarding industrial development. Second is keeping abreast of the ever changing private, state and federal assistance programs relating to an Indian reservation's economic development.

The economic developer should attend, and most likely will be required to attend, the regular tribal business committee meetings to give his report and receive directions from the business committee. In fact, it may be advantageous for the economic developer to be at least indirectly involved with one or more of the tribal programs which is relevant to development such as the Overall Economic Development Committee, Land Committee, Local Development Corporation, 701 Planning Committee, etc. to lend any assistance he can. The advantages he receives, of course, are in the attitudes and directions being considered by these advisors to the policy-making body regarding reservation development.

The problem of continuing support is evident. Once an industry has been established on a reservation and has begun operation, many bottlenecks can occur in production, in a proposed diversification of the product or in its marketing. Generally a business begins with adequate working capital to meet its needs and all is well as long as the firm's original expectations are met or surpassed. If, however, an unanticipated problem arises, the working capital of the firm may be expanded before the business is well established. Perhaps its market tapers off requiring layoffs and/or reassessments of the company, or perhaps the diversification which was planned to expand the product lines, thereby solidifying the firm's economic position, does not prove itself. In such situations lies the economic developer's opportunity to be of assistance, for many firms working on a very tight budget may not have or can not hire additional expertise to find answers to the immediate problem area.

In this regard, the lack of knowledgeable and experienced businessmen among the Indian people is of great concern to those interested in promoting employment opportunities on the reservations. Industrial location and general economic development in any community depends heavily on the enterprising individuals of that community. The lack of business experience and of market orientation among many of the most capable leaders in the Indian community makes it more difficult to develop the reservation and to make Indian people the full beneficiaries of the development.

It is here, then, where the economic developer can and should take initiatives to lend his expertise in areas other than simply the attraction of new enterprise. That is the glamorous part of industrial development. The real payoff, however, comes with the expansion and retention of such enterprises as may already be present on the reservation. The startup of new enterprise through local Indian initiative is of no less importance.

In all conscience, it must be observed that the effort to locate industry on a reservation can often be an effort counter to the natural operation of free market forces. There are but few categories of manufacturing industries which would logically locate in areas relatively far from their markets. This and related location factors may place such firms at a competitive disadvantage. To overcome these negatives, federal and other programs exist aided by promotional efforts upon the part of development specialists and political leaders at all levels of government. If a reservation has an ongoing program designed to aid existing enterprise regardless of its size, it is doing much to supplement the programs of others.

There are a number of federal, some state and private programs to which businesses on the reservations can turn for assistance. The American Indian National Bank, located in Washington, D.C., is in the initial stages of operation and desires to become involved in providing venture capital, investment and insurance. However, the "no strings attached" grant or loan does not exist.

A justifiable criticism of the Multi-Federal Assistance Programs now in operation is that each has a different application form and basically different criteria for evaluating the application. This means the local economic developer or reservation planner must have considerable knowledge of each program available with the task of keeping aware of the frequent program changes.

Within the wide variety of the Small Business Administration Programs that can be utilized by ongoing businesses on the reservations are the business loans. They are directed to aid small businesses which are having financial problems and which can not borrow money on reasonable terms from other sources. Such firms may qualify for SBA guarantee loans of up to 90%. If another lending institution can not participate by providing the needed funds, SBA may consider lending the entire amount as a direct loan. Of course, these loans direct or guarantee, are contingent upon the firm's ability to repay the loan. These loans may be used for business construction, expansion or conversion, purchase of machinery, equipment, supplies or materials and for working capital. The direct loans are limited to $100,000 unless participating funds are available. In participating loans, SBA and the private lending institution each put up part of the funds. However, SBA's share may not exceed $150,000.

The Economic Opportunity Loans (EOL) program makes it possible for disadvantaged business people, who have capabilities in business, to receive assistance. However, every applicant is expected to have some of his own money or other assets invested in the business and be able to show that the loan can be repaid from the earnings of the business. These EOL loans can be utilized by Indian businesses. The maximum amount of an EOL is $50,000 for up to 15 years. When participating itself in these programs SBA encourages bank participation using an SBA guarantee.

Local Development Company (LDC) loans–These SBA loans can be made to the LDC whether it is organized as a profit or non-profit corporation. It must have a minimum of 25 stockholders or members. Development Company loans may be used to buy land under certain circumstances, to build a new factory, to acquire machinery or equipment and to expand or convert existing facilities to meet the needs of a specific small business. Here again, the agency (SBA) works with banks and other lending institutions when making loans to LDC's.

One of the most interesting programs of SBA available to Indian businesses on reservations is the Minority Enterprise Program which, in effect, attempts to bring all of the agency's services together to make more sound business opportunities available to minorities.

Most of the opportunities for minority business are in the retailing, distributing and service industries. These types of opportunities usually require less equity capital on the part of the owner.

Through this program, other assistance is provided to the minority business such as advising and helping the business with financial statements, business projections, loan applications and other technical assistance where needed. This assistance is provided through the agency's *SCORE* (Service Corps of Retired Executives) program which is an addition to the regular SBA counseling staff. The SCORE people are available to assist the small businesses with counseling help in most any facet of business operation. This service is free except for out-of-pocket expenses.

Minority owned or managed businesses may be eligible to secure government contracts through Section 8(A) of the Small Business Act, under which SBA is authorized to act as a prime contractor for certain types of goods and services and sub-contract orders to individual small firms. Many businesses on reservations are utilizing this sub-contracting 8(A) program now.

The SBIC (Small Business Investment Company) and The MESBIC (Minority Enterprise Small Business Investment Company[1] are formed by private investors who put up a minimum of $150,000 in capital, incorporate as an investment company and obtain a license to operate from the Small Business Administration. When in operation the MESBIC is eligible to borrow $2 from the SBA for every $1 of private capital invested in it from a minimum of $300,000 to a maximum of $7½ million. Legally, it is possible for a MESBIC to borrow up to $10 million from SBA, but this has not been done because of SBA's limited resources.

The difference between a SBIC and a MESBIC is basically that MESBIC investments are made solely in businesses at least 50% minority owned and that it have the support of a strong sponsor such as a group that can directly or indirectly

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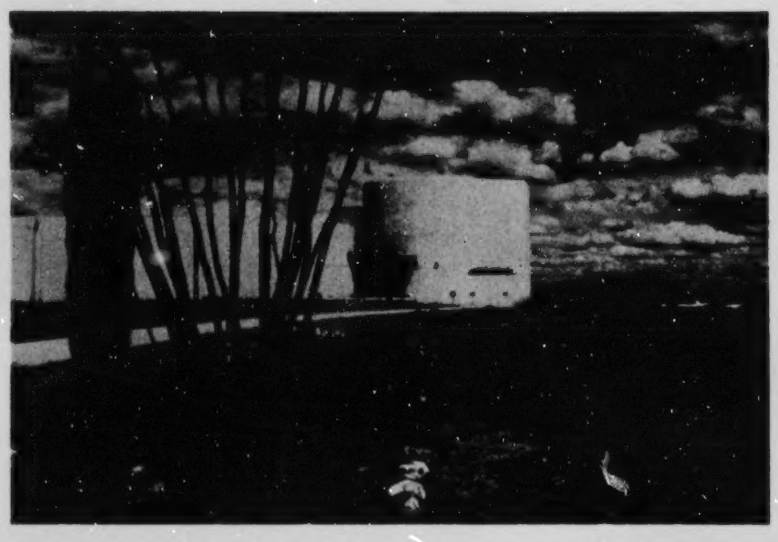
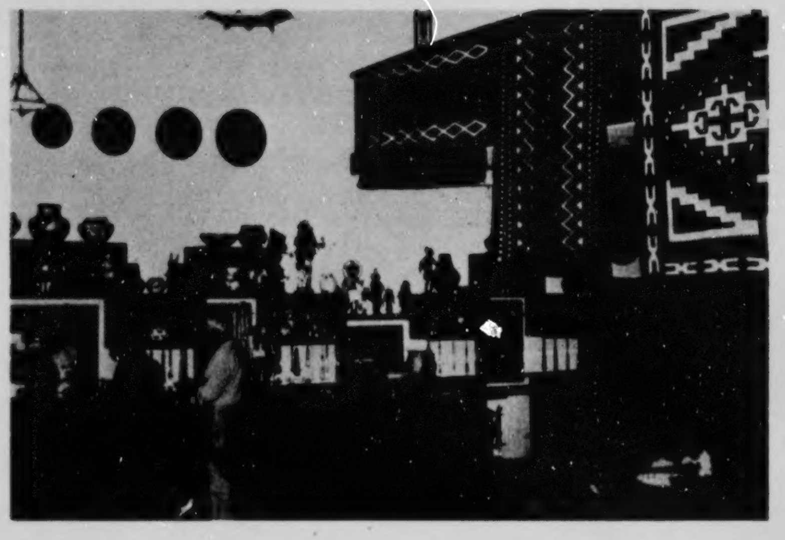
[1] MESBIC has operated with the Pine Ridge Products, Pine Ridge, South Dakota; F.M. Four, Gila River Arizona; Blackfeet Indian Writing Company, Browning, Montana among others.

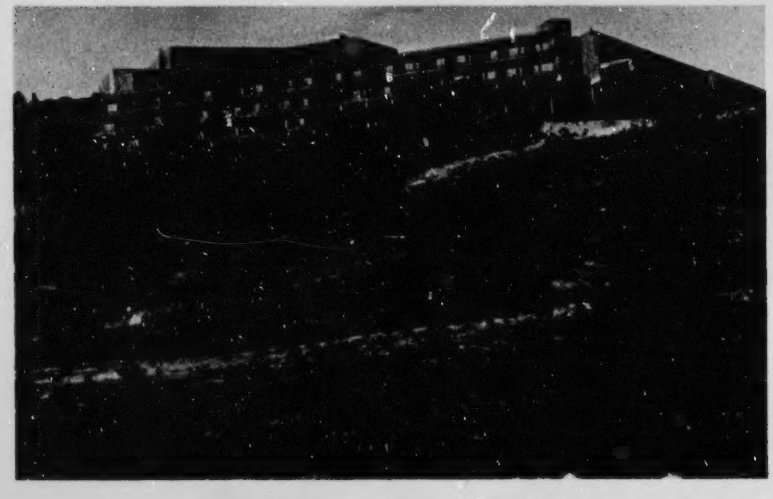
Gila River Arts and Crafts Center
Gila River Indian Community,
south of Phoenix, Arizona

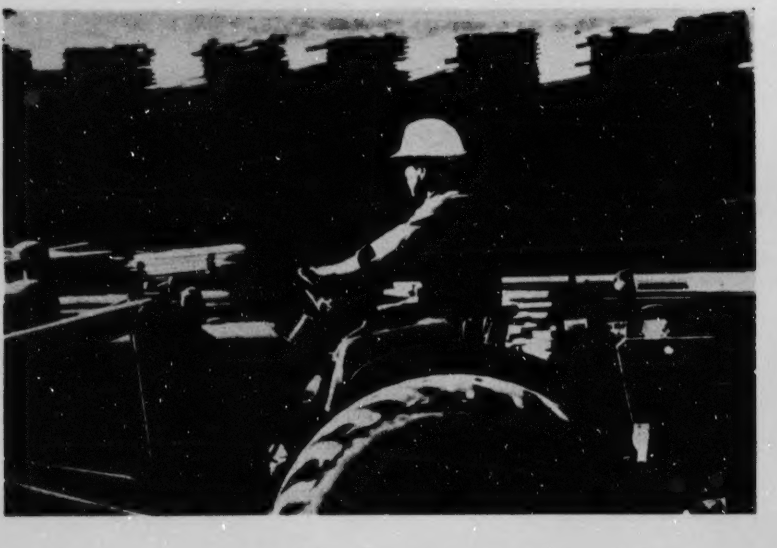




Top—One of many tourist resorts to be found on Indian Reservations – Kah-Nee-Ta, Warm Springs Reservation, Oregon.

Bottom—Forest Product companies are a popular industrial development among the tribes with access to this natural resource, Fort Apache Reservation, Arizona.





provide capital, operating funds and management assistance to the MESBIC and the companies it aids.

So the MESBIC is, in reality, a private investment corporation that specializes in providing long-term venture capital and management assistance to minority businesses.

These MESBIC loans to minority businesses are in the form of 10 or 15-year subordinated debentures.

The following are examples of how the MESBIC program would work for an ongoing minority business on a reservation.

The ABC Repair Company needed $50,000 to up-date its operation and to purchase equipment. The local economic developer, being aware of the company's requirements as a result of his regular visit to the plant, had made initial contacts with private lending institutions supplying them with needed information in an endeavor to get financial assistance for this company. The attempts were not successful. Through his many contacts he requested and received a list of MESBICs from his state's Department of Business Development and proceeded to follow up with and for the ABC Company.

The MESBIC, after careful analysis, determined the ABC Company to be a viable business and invested $10,000 in the venture and further assisted the business in completing its financing through an SBA bank guarantee loan of $40,000 with an SBA 90% guarantee. By investing $10,000 the MESBIC, in this example, was able to lever the other $40,000 through the bank which had previously been reluctant to loan any money. As a result of this type of financing the company prospered.

The XYZ Machine Shop Fabricating Company, owned by a local Indian businessman, was experiencing growing pains. There was an established need for a larger building to house the additional equipment that would be required as a result of the firm's acquiring new accounts and contracts. The company was unable to procure the necessary financing through local lending institutions.

After a review of the available federal programs of assistance, the company determined to pursue the Small Business Administration's direct loan to minorities program to erect a new building. Through contacts with various building firms a number of quotes were received. It was evident that $25,000 would be required to cover this building cost.

Because of the tight budget of the company, it was impossible for it to contribute to the total cost. It would have meant jeopardizing the limited finances of the business. The company and economic developer contacted the SBA field representative to explore and find out just what was required in order to qualify for a minority business loan. The businessman, along with the industrial developer, gathered all pertinent information about the company and its operation and prepared an overview showing the financial status of the company, its equipment and other fixed assets. They included the names and volume of business of firms with whom the company was doing business along with its own projected future business.

The initial contact paid off. Armed with all relative information of the company, the next step was a meeting at the state SBA office and the transferring of this information to the correct forms for SBA processing.

To increase the marketing of this machine shop, contacts were made again with the SBA office to examine possibilities for acquiring additional work under the SBA Sub-Contracting Program. Through repeated communication, SBA provided a list of prime contractors in the area for the XYZ Company. The initiative was taken by the industrial developer and the XYZ Company in contacting these contractors and providing them with the information on the XYZ Company's operation and an estimate of just what the company could do for them. As the result of these contacts, SBA verification of its involvement and the Minority Business Loan, the company was able

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to receive sub-contracting from several of the prime contractors, thus solidifying its own business.

Obviously the role of the industrial developer, because of the knowledge he had of assistance programs, was very instrumental in the expansion–if not the survival–of this company.

The Department of Interior. Bureau of Indian Affairs has several programs of assistance to enterprises on Indian reservations. The Indian Financing Act of 1974 was signed into law on April 12, 1974. The Act authorizes the appropriations of an additional $50 million to the Indian Revolving Loan Funds presently administered by the BIA. These funds are used to make loans to Indian, tribal and business ventures on or near Indian reservations and for educational purposes.

Title I of the Indian Financing Act is the Indian Revolving Loan Fund. This revolving loan fund is a consolidation of three previously BIA administered revolving loan funds under different acts of Congress. Because of restrictions under these other acts, section 101 makes the revolving loan fund equally available to all Indians who qualify. Direct loans to Indian individuals may be made in some cases.

Title IV of the Indian Financing Act is the Indian Business Development Program. Under its Indian Business Development Program, applicants can be either Indian individuals, Indian tribes, Indian partnerships, Indian corporations or associations authorized to do business under state or federal law. The corporations or partnerships have to be 51% or more Indian-owned to be eligible. A grant under this program may be made only to an applicant who is able to obtain at least 60% of the necessary financing from other sources and no IBDP grant can exceed $50,000 to any one applicant. Recently enacted, this program has a very significant potential for ongoing industry on the reservations.

The *OJT* (On-The-Job Training) program under the BIA has been utilized extensively for specialized training to

Indians whether or not in Indian-owned businesses. The firm, being located on or near a reservation, usually enters into a contract with the BIA. The BIA will also provide related services; i.e., assist in recruitment and screening of job applicants and underwrite expenses for the training of Indian workers at the main or branch plant. This BIA program reimburses the employer for up to one-half of the starting wage for the necessary period to train an individual.

The BIA's industrial development program under the Division of Indian Business Enterprises provides not only technical assistance but has limited funds to aid industries on reservations.

An example of training assistance exists in the case of ABC Corporation. 51% Indian-owned and having been in operation a short period of time, the firm was in need of additional working capital and assistance in training people in ABC's labor intensive operation.

The first contacts of the company through the assistance of the local economic developer were with the SBA and the BIA. After supplying these agencies with information such as financial statements, list of fixed assets, present and future marketing plans, work force, wage scales, etc., SBA applications were filled out for a $40,000 working capital minority direct loan, contingent on the corporation coming up with $10,000 to complete a $50,000 package. This corporation could not raise the $10,000 so they appealed to the BIA for a grant contribution for their share. The BIA did respond favorably and the corporation did receive the total $50,000 for working capital.

At the corporation's request the BIA also approved of an OJT Program for the Indians being trained. This program was conducted in conjunction with the Department of Labor (MDTA) Manpower Development and Training Act and OJT which is similar to the BIA's On-The-Job Training. This training assistance was provided for the non-Indian trainees in the plant.

The cooperation of three agencies is evidence that it is possible to do the total development job necessary to assist on-going reservation businesses and that the economic developer plays a major role in the development.

The Economic Development Administration, U.S. Department of Commerce has basically two programs from which ongoing industry on qualified reservations can benefit.

The Public Works Grants are direct grants to be used for public works such as: water systems, water and sewer extensions, water holding tanks, access roads, railroad spurs, etc. The Public Works Project participation can be a grant to the tribe of 85% to 100%. Indirectly, this grant can be used by the tribe where an ongoing industry is in need of these types of services but because of inadequate finances the business or the tribe are unable to provide them. Generally, public works grants are utilized in the initial stages of industrial development before an industrial development is actually located on a reservation's industrial site.

The Business Development Loans under EDA are one of the basic tools offered to private industry for expansion or location in EDA designated areas including Indian reservations where traditionally high unemployment and underemployment exist. These long-term loans are made primarily to upgrade the economy of distressed areas through generation of new, permanent jobs and better incomes.

This program is not limited to Indian tribes; therefore, it gives a potentially better avenue of assistance to industry on Indian reservations because many such operating plants are owned by firms which also have plants elsewhere. These expansions play a significant role in Indian country by upgrading skills, reducing unemployment and providing exposure of the business world to the Indian community. EDA will not help an entire business operation to relocate from one area to another. In such cases of plant expansions much investigative work is done to determine that jobs are not merely being transferred from one area to another.

Traditionally the greater percentage of EDA Business Loans have been made in establishing businesses on reservations rather than making a loan to an established company, the obvious reason being that the Indian tribes have just recently been getting involved in business ventures.

EDA has made great contributions to Indian country through its investments such as providing grant and loan money to create industrial parks on reservations which have industrial development potential. The following is an example of an EDA Business Loan. Also note the other participating agencies.

A tribal saw mill located on a reservation requiring an extensive amount of financing to purchase equipment for expansion and diversification had been turned down by local private lending institutions.

The saw mill manager and economic developer then made contact with the BIA and EDA offices to explore what might be available to the tribe for this expansion and diversification project.

A review of the project was made and both EDA and BIA officials concurred that first a complete engineering feasibility study was needed to determine available resources, markets, equipment needed, labor force, etc. However, neither BIA nor EDA had any funds then available for this technical assistance study.

The saw mill manager, along with the economic developer, therefore decided to pursue funding from other sources for this study. A Title V Regional Commission serviced the area and was contacted. The need for a study was presented to the Commission which granted $45,000 to the tribe to have an EDA-approved consultant firm do the study, contingent upon both the BIA and EDA's future financial assistance to the tribe to accomplish the project. The results of the study revealed a project cost of $600,000.

A brief description of three other agencies and the types of investments they make follows. Although their participation on Indian reservations and in businesses on reservations has been minimal, the economic developer should be aware of their programs in order to utilize these avenues of assistance when appropriate.

The FmHA (Farmers Home Administration) has Business Enterprise Grants available to help develop private business enterprise. Those eligible are public bodies, incorporated towns, Indian tribes, villages, etc. These grant funds may be used to acquire and develop land, for construction of buildings, equipment purchase and public works projects. These grant funds may be used jointly with funds furnished by the applicant, including *FmHA* loan funds.

FmHA Business and Industrial Loans–This loan program is similar to SBA's loan guarantee program. FmHA will guarantee loans by private lenders for developing or financing business or industry. Applicant requirements are virtually the same as for the FmHA grant.

Title V Regional Commissions–These Commissions have two types of grants. One is the Supplemental Grant used generally for brick and mortar projects such as public works, assisting in the acquisition of land or the construction or equipment of facilities. The law authorized the Commissions to increase federal participation in these projects to a maximum of 80%. Commission supplemental grants are somewhat limited in their use in that it must be tied to federal grant-in-aid programs.

The other is the Technical Assistance Grant which is primarily invested in demonstration projects, actual on-site efforts aimed at economic problem solving. T.A. Grants have also been used for training purposes.

The Title V Commissions have authority to exercise "Section 514 (A) Regional Excess Property Program". The federal co-chairman of each regional commission may acquire excess property without reimbursement through the Administrator of General Services. The Commission can loan or vest title in any state tax-supported organization, any Indian tribe, band, group or Alaskan village.

SBA Emergency Energy Shortage (EES) loans were established to provide financial assistance to companies which have suffered extreme hardship due to the (recent) energy shortage. This, for example, applies to firms dependent upon raw materials of petroleum base in the manufacture of the end product such as fabrication of plastic components. Obviously, EES loans require special circumstances which should be discussed with SBA authorities. For example, it is doubtful that high prices for heating oil, gasoline or natural gas would qualify a firm. It is a universal condition that is not working undue hardship on one small business firm over another.

It is essential then for the economic developer to keep abreast of the above programs and their frequent changes. Along with communications and involvement they form the very important functions of the economic developer. He can foster the development process with the tribe to the end that all elements can become full recipients of the development process.

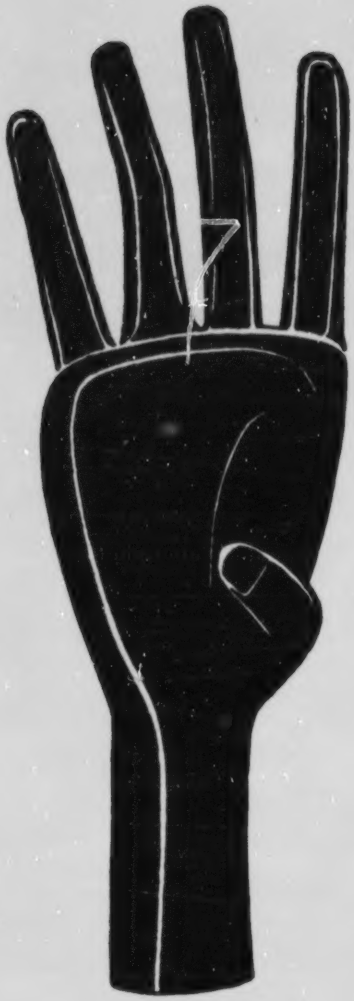

Illustration of Seneca Art:

From a carved wood rattle, Logan Museum of Anthropology, Beloit College, Wisconsin.

CHAPTER EIGHT

Promotion

Adapted by the Editorial Board

Promotion means marketing your product at three levels-all of equal importance: ONE, the tribal council and leadership; TWO, the tribal people; THREE, potential capital investors. To neglect one of these is to handicap the entire industrial development operation–why?

Simply because a reservation or tribal community must be a quality product which is capable of successful sales in the highly competitive market of capital investment. If the leadership is not indoctrinated and/or the public not educated into the whys and wherefores of industrial development, then the "product" lacks that essential element of quality–backing.

This chapter discusses the three promotional functions and the tools that each employs. It is adapted by the Editorial Board from Presentation No. 1 of "The Industrial Developers Audio/Visual Instruction Series", produced by the AIDC Educational Foundation.

Indoctrinating–Educating–marketing–these are the three interrelated functions of an industrial development operation's promotional process and, as it is a process, of course it is continually taking place.

How do these three functions apply in the context of a tribe's industrial development program?

Indoctrinating the tribal leadership is obviously essential if the program is to be undertaken at all. The tribal council and other leadership elements must be thoroughly familiar with the complexities and peculiarities of industrial development. Such characteristics as the imperatives of continuity and confidentiality or the need for latitude in operations and freedom to operate within the established budget, must be understood and supported by the tribal leadership. To the degree that they are not understood, so is the program handicapped or even strangled.

Likewise, indoctrinating the staff or the industrial development team is essential. They, too, must comprehend the complexities and peculiarities. What is more–they must be familiar with the "how to's" of the industrial development operations. Media to assist in this process are available.[1]

With the turnover at the leadership level as well as within the organization, there is no need to emphasize the fact that indoctrination is continually taking place.

Educating the tribal membership in the fundamental purpose and in the monthly progress of the industrial development program is an essential. The public must be educated in the sense that it comprehends why, how and what is being undertaken on the tribe's behalf.

It is essential that the program have public support. Such support, however, will not be forthcoming from persons who are ignorant of what the program will (or hopes to) do for them individually and collectively. An uninformed public ignorant of what is being done in its behalf is ripe for rumor mongers or deliberate attempts to sabotage the commitment made to economic development by the tribal leadership. Furthermore such an uninformed public can be manipulated by wiley tribal politicians or non-Indians bent upon determining the course of development in their own, not the tribe's interest.

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[1] See Appendix A

This educational function, like its two sister functions, is never-ending. It must, in so far as is possible, anticipate objections, road blocks and major points of difference and cope with them before they can interfere with the program's needed continuity.

Marketing is the process by which the capital investments are procured to generate jobs for the tribal members and to improve their quality of life. The marketing function embraces procurement of public and private funds to assist in the startup of new Indian enterprises or the expansion of such enterprises already in existance. It embraces the attraction of non-Indian enterprises to the tribe's reservation or lands.

The success of the marketing function depends, in large measure, upon how thoroughly the other functions are being undertaken, for unless this function is fully supported by both the tribal authorities and a comprehending public, it will be greatly impaired or will fail to the detriment of the tribe.

Chart A outlines a systematic breakdown of an industrial development program's promotional functions and the tools. The relative utility of each specific aspect of this chart depends on several variables within each tribal industrial development program such as budget, size of staff, scope of operations and many others. However, it is important for even the smallest organization to understand in theory, at least, all aspects of promotion since scaling down to even the most modest of promotional programs requires that one comprehend all parts.

The *functions* are listed vertically (1, 2, 3) and the *tools* are listed horizontally under their three principal types: A) Personal Approach, B) Prepared Approach and C) Advertising Approach.

To examine the program in detail, let us consider each square in sequence.

CHART A

THE INDUSTRIAL DEVELOPMENT PROMOTION/ PUBLIC RELATIONS GRID

TOOLS ➡ FUNCTIONS ⬇	A PERSONAL APPROACH	B PREPARED APPROACH	C ADVERTISING APPROACH
1 **Indoctrinating**	1A *Interviews* *Discussions* *Meetings* *Workshops* *Evaluation Sessions*	1B *Memoranda* *Letters* *Program Outline* *Budget* *Facts on I.D.* *Audio/Visual*	1C *None* (To all intents and purposes)
2 **Educating**	2A *Ceremonials* *Meetings* *Conferences* *Speeches* *Graphics* *Workshops*	2B *Press Releases* *Editorials* *Pamphlets* *Reports* *Audio/Visual*	2C *Sponsored Public Service* *Spots or Space*
3 **Marketing**	3A Direct Contact with Prospect through *I.D. Practitioner* *I.D. Team* *Tribal Leaders* *Tours* *"Adoptions"*	3B *Aerials* *Maps* *Photographs* *Brochures* *Letters* *Throwaways* *Monographs* *Special Studies* *Gimmicks* *Audio/Visual*	3C *Institutional* *Classified* *General Public* *Specific Industries* *TV–Special Programs* *Movies* *Audio/Visual* *Radio* *Billboards*

1A
Interviews
Discussions
Meetings
Workshops
Evaluation Sessions

Square 1A: "The goal is one of indoctrination and explanation". This is best done on a personal basis, using discussion groups, interviews, meetings and workshops. It is well to remember that even though this process may tend to be somewhat informal in certain aspects, it is necessary that your material and presentation be well thought out, organized and as concise as possible.

Certain topics that should definitely be discussed in these sessions include the following:

1) The basic aim of the program is to attract to the area capital investment with which to realize upon the area's potentials for industry, commercial enterprises, tourism or whatever.

2) The industrial development process is a long and difficult task requiring many man hours and long term perseverance.

3) The imperatives of industrial development are continuity and confidentiality. An on-again-off-again, hot/cold/warm attitude toward the tribal economic development effort not only impairs it greatly but actually wastes tribal funds and effort. It is axiomatic that business negotiations with a prospective investor must be undertaken in confidence. These and other facts of life must be understood and observed by tribal authorities, thus, the importance of continuous indoctrination.

4) There is much competition for industrial development dollars, both within the United States and abroad.

5) Be realistic about your area's assets and liabilities.

Much time and effort can be wasted by letting local pride cloud realistic judgements of an area's potentials. The tribal industrial development organization must be as realistic and hard-nosed about its area as a shrewd industry representative contemplating the area is sure to be.

6) All data on the area must be constantly updated and continuously supplied in updated form to potential investors.

Once the members of the organization and the tribal leaders have these and other industrial development "facts of life" well in mind and are implementing them, the basic goal of indoctrination has been realized. *But*, the process is never-ending in view of the turnover and in view of ever-changing trends. Thus, it demands at least semi-annual evaluation sessions.

Square 1B suggests the tools to be used with the personal approach; material which should be prepared, discussed and distributed at the meetings, etc. Much of the material should be prepared in the context of the tribe and its needs. Other material is available through various sources.[1]

1B
Memoranda
Letters
Program Outline
Budget
Facts on I.D.
Audio/Visual

Square 1C–There is no call for an advertising approach at this stage of the program.

1C
None
(To all intents
and purposes)

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[1] See Appendix D

In summary, Squares 1A and 1B deal with the continuous indoctrination of the tribal "need-to-knows" and should definitely precede any other steps in the promotional process.

The next line of horizontals deals with the ways and means of educating the tribal members, the constituents of the industrial development program.

Community understanding and support are major factors in the success of a program. The competition for expansion of desirable businesses is keen. The more desirable a prospect is, the more likely it is that its methods of evaluation of an area are highly sophisticated. Some companies, in their consideration of the total elements of a community, conduct public opinion polls to determine the degree to which the residents desire industrial expansion and understand its implications. This is certainly a primary reason to underscore the importance of educating the public.

It is important not only in attracting new industry but also in expanding and developing existing industry. What better demonstration of an area's suitability for industry than the existence of an already-successful economy.

2A

Ceremonials
Meetings
Conferences
Speeches
Graphics
Workshops

Square 2A: Under this section there is no limit to the ways in which the educational process can be carried out, from brief street-corner encounters to dinner meetings, to full-scale conferences. The industrial development organization can never do too much in its efforts to explain its purpose and program early and often. Personal contact by the tribal industrial development practitioner and members of his organization can be achieved at public meetings, appropriate ceremonials and at special conferences called to discuss tribal economic and related problems.

2B
Press Releases
Editorials
Pamphlets
Reports
Audio/Visual

Square 2B supplements the personal contacts and is most effective in publicizing certain goals to the tribe at large and in summarizing results of conferences and meetings. The tools here are newspaper releases, editorials and articles relating to the program's purpose and all the steps along the way to goal achievement. Pamphlets, tribal periodicals, written reports, slide and film presentations are also useful and should be made available to the community dependent, of course, on staff and budget considerations.

Whatever method is used, one should keep in mind that one's audience here is the tribal membership and not an ultra sophisticated industry representative. The approach should be clear and concise, stressing the need for a well-planned, continuous growth of the area over a period of years.

There is no need to bog down the average person with public articles going into long, drawn-out technical, scientific or social considerations. These should be carefully and concisely stated in media such as tribal publications and made available in more detailed form such as a written report easily accessible to tribal members. Today, it is well to stress the need for progress on two mutually-complementary fronts: the economic environment and the natural environment.

2C
Sponsored, Public Service
Spots or Space

Square 2C: Educational Advertising can be of use to your program if understood and used properly. Certainly a budget expenditure should not be made in this area; however, there are many ways to utilize radio, TV and periodicals that will not cost the organization any money. one of the simplest methods is use of local radio and TV public service interview or talk shows. An articulate spokesman for the tribe on one of these programs can educate a relatively vast number of people in the time it takes the same man to speak to 25 or 50 people at a local gathering. Other means of advertising without cost involve soliciting businesses to donate newspaper space or TV and radio time for public service ads. Tying in with their adervtising is good for all parties concerned and saves your precious finances besides.

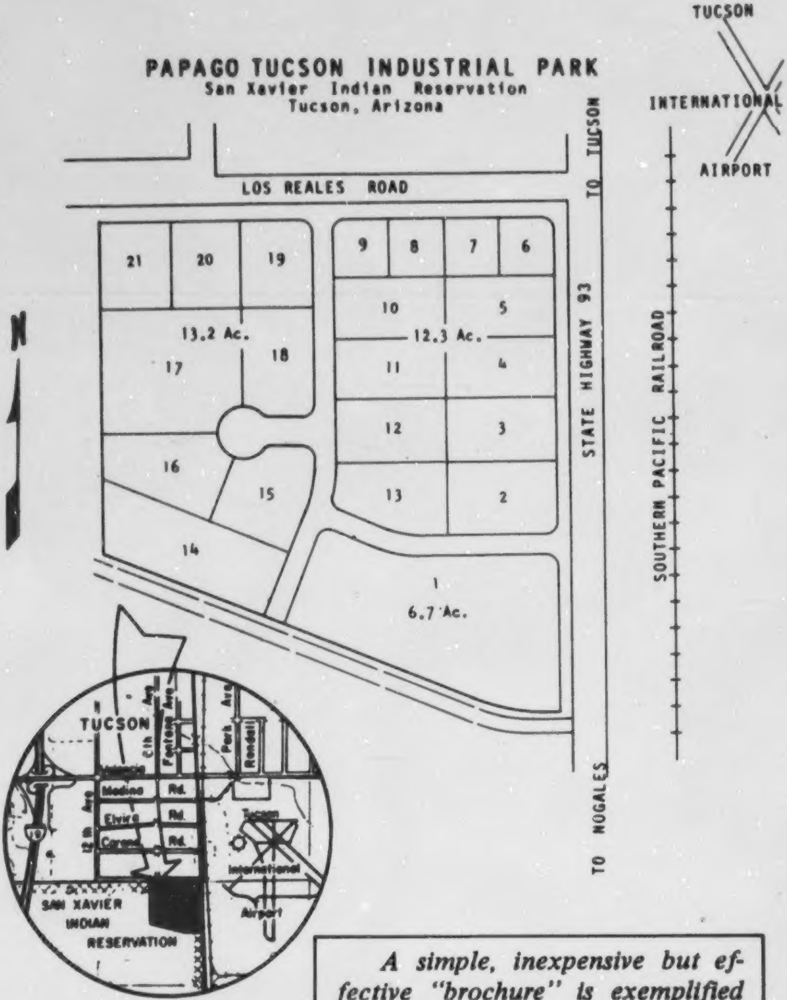
Wisely planned and integrated, an educational campaign utilizing personal, written and advertising approaches can go a long way toward gaining and sustaining public approval and support for the tribal organization's industrial development program. Once its activities receive acceptance by the community, it is ready to concentrate heavily upon that part of the promotional campaign which yields the payoff: Marketing.

Success in marketing relies a great deal on the indoctrinating and educating programs. They provide the underlying theme and factual grounds upon which the claims and procedures of the overall promotional program are based. All three programs are important. Marketing is the end result of the other two; its goal is to attract the attention of industry and secure other capital investments.

3A
Direct Contact with
Prospect through:
I.D. Practitioner
I.D. Team
Tribal Leaders
Tours
"Adoptions"

Square 3A is concerned with direct contact with prospective investors. The means of this direct contact are several. Budget is the prime consideration in determining which is best for a given organization.

An organization that can afford to hire staff personnel is fortunate. A well-trained staff member can speak directly for an area and has a full grasp of all the pertinent data. Since it is a full time job on his part, he also has the time to be well informed on which


PAPAGO TUCSON INDUSTRIAL PARK
San Xavier Indian Reservation
Tucson, Arizona
TUCSON
INTERNATIONAL
AIRPORT
TO TUCSON
LOS REALES ROAD
STATE HIGHWAY 93
SOUTHERN PACIFIC RAILROAD
TO NOGALES
N
21
20
19
9
8
7
6
10
5
13.2 Ac.
12.3 Ac.
17
18
11
4
12
3
16
15
13
2
14
1
6.7 Ac.
TUCSON
Valencia
Medina Rd.
Elvira Rd.
Corona Rd.
Park Ave
Fontana Ave
6th Ave
12th Ave
Tucson International Airport
SAN XAVIER INDIAN RESERVATION

A simple, inexpensive but effective "brochure" is exemplified by this single sheet piece with a geographic and detailed map to orient the reader and basic data on the flip side.

Note—the return address is a vital item.

PAPAGO-TUCSON INDUSTRIAL PARK

LOCATION:

On the San Xavier (Papago) Indian Reservation, seven miles southeast of downtown Tucson, Arizona.

CLIMATE:

Desert. Mild winters; hot summers; low humidity.

MILEAGES:

El Paso 318; San Diego 424; Albuquerque 455; Los Angeles 513; Denver 875.

TRANSPORTATION:

Rail	Southern Pacific adjacent to park. Shipping times: Los Angeles, San Diego 2nd day; Dallas, San Francisco 3rd day.
Air	Tucson International Airport adjacent to park—Six major airlines. Tucson Downtown Airport—two paved runways, 4,000′ and 4,300′.
Truck	Over 30 major interstate and intrastate lines service Tucson area.
Highways	Near Interstate 10, major route north to Phoenix and east to New Mexico; adjacent to state 93 and U.S. 89 to Nogales on Mexican border.

UTILITIES:

Electric	Tucson Gas & Electric
Gas	Tucson Gas & Electric
Water	City of Tucson
Sewage	City of Tucson
Telephone	Mountain Bell

Garbage and trash collection available.

POPULATION AND LABOR FORCE:

San Xavier Indian Reservation:

Total Population	928
Labor Force	277
Unemployed/underemployed	140

Tucson:

Trade-area population	297,500
Pima County population	350,000
Labor Force (trade area):	
Total	99,500
Unemployed	3,000

COMMUNITY FACILITIES:

Banking—Tucson

Motels and hotels—Tucson, 6,000 units

Restaurants—Tucson, 321

Shopping Tucson

Post Office—Tucson; parcel post service

Hospital—Tucson. 10 hospitals in area, with more than 2,000 beds. U.S. Indian Hospital is adjacent to park.

Doctor and dentist—Tucson; ambulance service at Tucson.

Schools: Grade, Parochial, High—Tucson.
College—Pima College, University of Arizona, Tucson.

RECREATIONAL FACILITIES:

Golf, tennis, swimming, hunting, boating, fishing within immediate vicinity.

LEASING:

Negotiable within following ranges:

Cost—	$700 per acre per year and up, depending upon location.
Term—	Initial period of 25 years, with renewal option for like period.

TAXES:

No taxes levied against Indian-owned real property. No leasehold taxes. No inventory taxes. Ad Valorem taxes on non-Indian owned property based on assessment ratio of 25% of full cash value.

TRAINING:

U.S. Dept. of Labor—Prevocational and on-the-job (MDTA); Bureau of Indian Affairs on-the-job; Ariz. Dept. of Vocational Educ.

FINANCIAL AIDS (private & Governmental):

Small Business Administration
Economic Development Administration
Others
ALSO Business acquisition aid

DEVELOPMENT CORPORATION:

The Papago-Tucson Development Corp., a State-chartered non-profit corp., is instrumental in negotiating leases and determining sources of funding. Contact President, Suite 500, Transamerica Title Bldg., Tucson, Ariz. 85701, phone (602) 623-6355 for information.

FOR FURTHER INFORMATION:

In addition to the Papago-Tucson Development Corporation, information may be obtained from:

Chairman, Papago Council
Box 277, Sells, Ariz. 85634
(602) 383-2231

or

Branch of Industrial Development
Bureau of Indian Affairs
P.O. Box 7007, Phoenix AZ 85011
(602) 261-4448

industries are contemplating area changes, expansions or other desirable growth opportunities.

If an organization can not, however, afford personnel of this sort, it can find other means to provide the personal touch. Tribal leaders who travel may often be recruited to speak on behalf of the industrial development program or to make a direct approach to prospective firms. Many areas have used industrial exhibits to great advantage, providing the organization with the opportunity for direct discussion with those responsible for locating plants or making other capital investments.

A very personal approach to influencial individuals is their adoption as an honorary member of the tribe. Done with dignity, such a marketing technique gains good will and desirable, affirmative publicity.

Utilizing a more indirect approach, any area that possesses major tourist attractions should not fail to use them to their advantage. Certainly an executive from a distant company vacationing in one's area is a prime prospect for skillful and subtle indoctrination as to local advantageous investment opportunities.

Should the opportunity present itself through such events as dramatizations, ceremonials, special celebrations and observances, tours can be arranged to display tribal attributes, lands and other potentials for capital investments.

3B
Aerials Maps
Photographs
Brochures Letters
Throwaways
Monographs
Special Studies
Gimmicks
Audio/Visual

Square 3B: Marketing-Written concerns itself primarily with prepared material for direct mail and other uses.[1] Whether the material is a letter, brochure, specialty item, photograph, map or any combination, the basic principle is simple: it should be factual, attractive and it must convey to the receiver an air of importance about itself. Such material is directed to busy men and defeats its purpose if it does not treat them as such. Written promotions of this type must present the area honestly and in a way that is useful to its recipient. The advantages of an area must answer the specific needs of a prospective industry. All businessmen receive a tremendous amount of promotional material each day. Any brochure or letter that does not state its point and present its case clearly, concisely and usefully will be resented rather than appreciated by a busy executive.[1]

Square 3C deals with Marketing-Advertising. It is in this area that money is perhaps the largest determining factor. One ought not to undertake space advertising without an ample budget and long-range plan. Once a campaign of some sort is decided upon, however, there is an overriding consideration. The advertising campaign must be an integral part of the overall promotional campaign and must be adequately financed. If a considerable fund of money is not available, other approaches should be used.

3C
Institutional
Classified
General Public
Specific Industries
TV–Special Programs
Movies
Audio/Visual
Radio
Billboards

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[1] The prestigeous American Industrial Development Council, Inc. holds a Literature Awards Competition at its Annual Conference. It was significant that at the Golden Anniversary Conference in 1975, the promotional piece judged the Best of Exhibit and, of course, the Best of Class was "Oklahoma Indian Lands for Industry". A magnificent and functional piece, it was produced by "one single coordinating organization", the Economic and Industrial Development Division of the United Indian Tribes of Western Oklahoma and Kansas in Shawnee.

Any advertising that does not deal directly with the main thrust of the entire economic development program is a waste of time and money. Advertising, contrary to many beliefs, is a means of reaching specifically designated people—not all people. It is only common sense to plan advertising to reach the same group of people one is appealing to in all other marketing efforts.

It is a wise move to seek professional advice when an advertising campaign has been decided upon. Rates, publications, terms, contracts, art and a hundred other details are involved. An alternative is to enlist members of the business community for they have some experience, but nothing can replace a professional agency.

Financing of an advertising campaign should also be solicited, at least in part, from businessmen, bankers and public utility executives familiar with the tribal industrial development effort. An ad that reaches industry executives and bears visible support of local sponsors is sure to impress that executive, at least as to the support and interest of the community toward industrial development. Subsidization of your advertising program by local businessmen is in their personal interest as well as the area's in general. New industry means new customers for those businesses that already exist in your community.

Summary

The promotion campaign, then, is one of three closely inter-related and continuous functions: Indoctrinating, Educating and Marketing. They should be undertaken in sequence but once started emphasis should be placed upon that one which, in the tribal industrial developer's viewpoint, requires priority attention.

Ingenuity is the hallmark of a good, sound promotional campaign, particularly in the context of Indian industrial development where funding is always a problem.

Hopefully, this chapter has provided some thoughts on how to proceed on a limited budget. Proceed one must, however, if the overall tribal economic development operation is to achieve its goals and objectives.

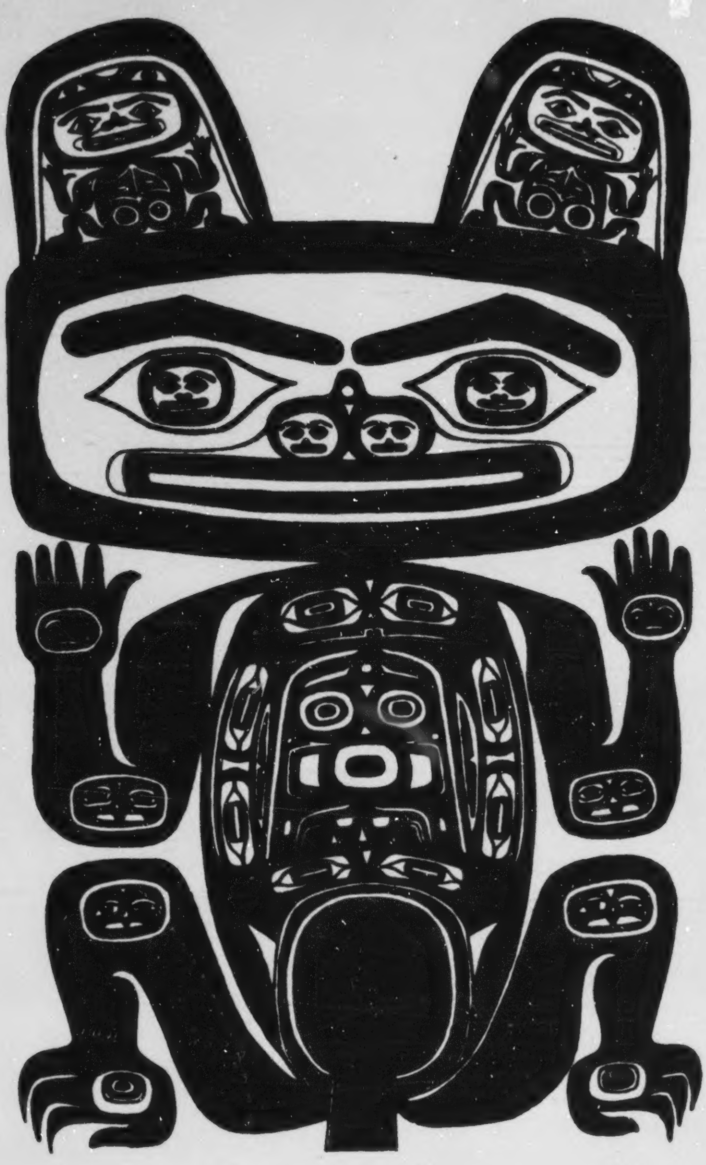

Illustration of Tlingit Art:

From a house partition screen, height 15 feet, in the Denver Art Museum.

CHAPTER NINE

Alaskan Native Economic Development Today

John Borbridge, Jr.

Indian industrial development naturally differs from area to area but the same strategies and tactics hold, albeit with different emphasis.

In Alaska, however, this generality does not apply. The spatial, socio-economic and structural considerations of the sub-continental space pose unique economic development problems and opportunities for the native Americans; the Indians, the Eskimos and the Aleuts.

With the Alaskan non-Indians, they share a unique economic development environment calling for often radical departures from the industrial techniques common to "the Lower Forty-Eight". What these techniques are and how they operate are not the concern of a Manual of this type. Suffice it to note that through Basic Industrial Development Courses, seminars and conferences, the techniques are made available to all elements concerned with economic development in the state.

What is of importance to the potential capital investor and to the entire native American community is the unique structure in which the native American economic development is being undertaken. The Editorial Board, therefore, asked a well-qualified native authority to provide "us outsiders" with an overview of that structure and its economic development implications and opportunities for the Alaskan native population.

Passage of the historic Alaska Native Claims Settlement Act on December 18, 1971, not only resolved the long-pending aboriginal land claims of the Indians, Eskimos and Aleuts of Alaska, but it also provided for the conveyance of fee simple title to approximately forty million acres of land and the payment of $962.5 million to the Alaska natives.

The Act, unprecedented in its magnitude, was unique in that the land claims were resolved legislatively rather than judicially; fee simple title to land was part of the settlement package, and autonomous native corporations were created with a lessening of the traditional oversight function of the Bureau of Indian Affairs. It has created an investment environment for economic development unique among the fifty states and one which will evolve as the various provisions of the Act come into play.

All reservations, with the exception of the Annette Islands Reserve, were revoked by the Act. The former reserves have incorporated and, although largely land rich and lacking in financial assets, they are going it alone as autonomous entities.

The Act Authorized the formation of twelve geographic regional corporations within the State of Alaska, a number of village corporations within each region and four urban corporations for the communities of Sitka, Juneau, Kenai and Kodiak. [1] All are business-for-profit corporations. A thirteenth corporation composed of certain Native Alaskans, who are resident outside of the state, undoubtedly will be established. Plate B reflects the potential impact of the thirteenth upon the already established situation.

The Act further mandated the issuance of one hundred shares of regional corporation stock to each native person enrolled to a regional corporation. Similarly, one hundred

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[1] See Plate A

PLATE A

ALASKA NATIVE CORPORATIONS*

Ahtna, Inc.
P.O. Box 823
Copper Center, Alaska
99573

Aleut Corporation
833 Gambell Street
Anchorage, Alaska 99501

Arctic Slope Regional
Corporation
P.O. Box 566
Barrow, Alaska 99723

Bering Straits Native
Corporation
P.O. Box 1008
Nome, Alaska 99762

Bristol Bay Native
Corporation
P.O. Box 237
Dillingham, Alaska 99576

Calista Corporation
516 Denali Street
Anchorage, Alaska 99501

Chugach Natives, Inc.
912 E. 15th Avenue
Anchorage, Alaska 99501

Cook Inlet Region, Inc.
1211 West 27th Avenue
Anchorage, Alaska 99503

Doyon, Ltd.
Doyon Bldg., First & Hall
Fairbanks, Alaska 99701

Koniag, Inc.
P.O. Box 746
Kodiak, Alaska 99515

Nana Regional Corporation,
Inc.
P.O. Box 49
Kotzebue, Alaska 99752

Sealaska Corporation
811 West 12th Street
Juneau, Alaska 99801

NATIVE ORGANIZATIONS

Alaska Federation of
Natives, Inc.
670 West Fireweed Lane
Anchorage, Alaska 99503

Alaska Native Foundation
515 "D" Street
Anchorage, Alaska 99501

*Address as of September 1975

PLATE B

The attached chart shows the extent to which the land claims disbursements (as shown on page 13 of the report prepared by the State of Alaska, Department of Economic Development) would be revised as a result of formation of the Thirteenth Regional Corporation. This revision is based on an assumed enrollment of 4,600 in the Thirteenth Regional Corporation (this is the number of shareholders who voted "yes" in the previous election).

In general, the effect is to reduce the disbursements to each of the twelve Alaska-based corporations, both as to total distributions and as to distributions by June 30, 1980. The reductions would in turn be channeled to the Thirteenth Regional Corporation. For example, Sealaska's present enrollment, 16,493 or 21.2% of the total, would be reduced to 14,697 or 18.8% of the total. This would reduce Sealaska's *total* distribution out of the $962,500,000 from the Alaska Native Fund by $23,100,000, and by $13,152,000 as to estimated distributions by June 30, 1980.

Revised Table VII from

"A PERFORMANCE REPORT OF THE ALASKAN ECONOMY, 1974 YEAR END REVIEW WITH PROJECTIONS TO 1980"

Showing Possible Impact of Formation of 13th Regional Corporation

(Based on the number of shareholders who voted "yes" in the previous election)

Regional Corporation	Enrollment				Monetary Distribution					
	As Shown		Revised		Total			By June 30, 1980		
	Number	%	Number	%	As Shown	Revised	Adjustment	As Shown	Revised	Adjustment
13th			4,600	5.9%	$ –0–	$56,787,500	$56,787,500	$ –0–	$32,332,000	$32,332,000
Aleut	3,346	4.3%	3,065	3.9%	41,387,500	37,537,500	(3,850,000)	23,564,000	21,372,000	(2,192,000)
Ahtna	1,095	1.4	1,069	1.4	13,475,000	13,475,000	–0–	7,672,000	7,672,000	–0–
Arctic	3,907	5.0	3,808	4.9	48,125,000	47,162,500	(962,500)	27,400,000	26,852,000	(548,000)
Bering Straits	8,000	10.3	7,487	9.6	99,137,500	92,400,000	(6,737,500)	56,444,000	52,608,000	(3,836,000)
Bristol Bay	5,518	7.0	5,289	6.8	67,375,000	65,450,000	(1,925,000)	38,360,000	37,264,000	(1,096,000)
Chugach	2,096	2.7	1,892	2.4	25,987,500	23,100,000	(2,887,500)	14,796,000	13,152,000	(1,644,000)
Calista	13,439	17.2	13,271	17.0	165,550,000	163,525,000	(1,925,000)	94,256,000	93,160,000	(1,096,000)
Cook Inlet	6,224	8.0	5,881	7.5	77,000,000	72,187,500	(4,812,500)	43,840,000	41,100,000	(2,740,000)
Doyon	9,649	12.4	9,143	11.7	119,350,000	112,612,500	(6,737,500)	67,952,000	64,116,000	(3,836,000)
Koniag	3,283	4.2	3,020	3.9	40,425,000	37,537,500	(2,887,500)	23,016,000	21,372,000	(1,644,000)
Nana	4,980	6.3	4,818	6.2	60,637,500	59,675,000	(962,500)	34,524,000	33,976,000	(548,000)
Sealaska	16,493	21.2	14,697	18.8	204,050,000	180,950,000	(23,100,000)	116,176,000	103,024,000	(13,152,000)
Total	78,030	100%	78.030	100%	$962,500,000	$962,500,000	$ –0–	$548,000,000	$548,000,000	$ –0–

shares of stock of a village and urban corporation were to be issued by the appropriate entity to each native person determined to be eligible for enrollment under the Act and who is enrolled in a village or urban corporation. The disposition, transfer or assignment of such stock and rights related thereto are severly restricted for a period of twenty years (1991).

The allocation of payments from the Alaska Native Fund to each regional corporation are based on the proportion of the total number of eligible Alaska Natives who are enrolled to the respective region. Thus, for example, a regional corporation having 10% of the total enrollment would be scheduled to receive 10% of the distribution from the Alaska Native Fund.

A native is defined, for purposes of the Act, as ". . . . a citizen of the United States who is a person of one-fourth degree or more Alaska Indian (including Tsimshian Indians not enrolled in the Metlakatla Indian Community), Eskimo or Aleut blood or combination thereof. The term includes any native as so defined either or both of whose adoptive parents are not natives . . .Any decision of the Secretary (of the Interior) regarding eligibility for enrollment shall be final".

Provision is made for establishment under the Act of the Alaska Native Fund into which will be deposited, over a period of years, an aggregate of $962.5 million ($462.5 from federal appropriations to be paid out over an eleven-year period and $500 million from a royalty from minerals owned by the state of Alaska and the federal government). In addition to the appropriated funds and royalties, Section 7(i) of the Claims Settlement legislation provides that 70% of revenues received by each regional corporation from timber and subsurface resources owned by it be divided annually with 30% being retained by the region of origin and 70% divided among the twelve Alaska regional corporations in proportion to the number of shareholders in each of the twelve regions. The thirteenth region will not share in these revenues. The precise nature of the funds to be subjected to the Section 7 (i) sharing provisions are currently the subject of litigation among the twelve regional corporations.

Distribution of the funds to each of the twelve regional corporations commenced on December 18, 1973. The regional corporation, in turn, allocated to each village corporation its share of the distribution. Thus, each regional corporation distributed to the village corporations and non-village stockholders in its region at least 45% of all the funds it received as defined in Section 7 (j) of the Act.

Payments to the village corporations may be withheld until submission of a plan for the use of the funds satisfactory to the regional corporation. The regional corporation may require the village corporations to provide for joint ventures with other village corporations and for joint financing of projects undertaken by the regional corporation that will benefit the region generally.

After December 17, 1976, the Act increases the 45% distribution to 50%. All distributions to Southeast Alaska village corporations, for example, are to be made according to the ratio that the number of outstanding shares of Sealaska's common stock bears to the number of such shares which are owned by those persons who are also stockholders of the village corporations.

Unlike the village corporations formed under the act, the urban corporations of Sitka, Juneau, Kenai and Kodiak received no funding for corporate operations under the Act. Failure to fund the four cities in the same manner that village corporations are funded is attributed to a legislative drafting oversight.

Of the forty million acres of land to be conveyed in fee simple absolute to the Alaska Natives, the amount of land owned by any one native corporation will vary from slightly over 23,000 acres for village corporations in Southeast Alaska, for example, to possibly as much as ten million acres for one of the interior Alaska regional corporations. All corporations formed under the Act will have a land base although the exact acreage for some corporations will not be finally determined pending certain legal clarifications.

Village and urban corporations will obtain title only to the surface estate of lands conveyed to them, The subsurface estate will be vested in the appropriate regional corporation. A provision, however, requires that the village corporation must agree before the regional corporation may proceed with the development of any mineral resources underlying village corporation lands.

Regional Corporations will receive fee simple absolute; that is, both the surface and subsurface estate of lands selected by the regional corporations. Regional corporations are also afforded the opportunity to review and render advice to the village corporation on all land sales, leases or other similar transactions prior to any final commitment.

Although the precise relationship between the regional corporations and the respective village and urban corporations varies somewhat from region to region, the larger regional corporations have generally made their technical expertise and political and legislative "know-how" available. The right, under the Act, of the regional corporation to review and approve proposed amendments to the articles of incorporation of village corporations in its region, budgets and land transactions imposes a relationship upon the otherwise autonomous corporations that is unique in the annals of business law. The precise nature of this developing relationship will continue to evolve in response to technical, political and personal interpretations and accommodations.

Regional corporation land selections were scheduled to be completed by December 18, 1975. In preparation for these decisions several of the native regional corporations contracted with oil companies for geophysical study ac-

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tivity on lands available for selection. Thus, the Arctic Slope Regional Corporation signed exploration agreements with three oil companies. Ahtna, Inc. also signed with Amoco Production Company and Bristol Bay Native Regional Corporation did likewise with Phillips Petroleum.

As a consequence of information obtained through these agreements and the use of reputable resource consulting firms, the regional corporations have been able to base their land selection decisions on the latest, most technically reliable data. Thus, geophysical exploration and information gained through the consolidation of all currently available data is also providing a foundation upon which to base, in several instances, highly sophisticated computer systems for the storage and retrieval of relevant land resource data. Future economic development of the native lands will depend heavily on the newly established data systems and other related activities.

The Act mandates the transfer by the village corporation to the municipal corporation in the native village or " . . . to the state in trust for any municipal corporation established in the native village in the future, title to the remaining surface estate of the improved land on which the native village is located and as much additional land as is necessary for community expansion and appropriate rights-of-way for public use and other foreseeable community needs . . .". The amount of land to be transferred shall be no less than 1,280 acres.

The careful formulation of corporate goals and objectives and land use plans will not only establish overall immediate and long-range priorities, but it will also involve the need for a close coordination between the native corporation and the municipal government. In many instances, natives control both entities. Municipal governments will undoubtedly be searching for a means of funding various services as they prepare for what will be, for many of them, the first meaningful opportunity to plan for orderly growth and to attain some measure of economic viability.

Development in native Alaska must be sufficiently comprehensive to include a conscious awareness of both social and economic development; that is, the honing of the talent and skills necessary for a people to accomplish their objectives within the context of *their* needs, *their* goals and *their* desires. At least initially it is to be expected that goals formulated in response to competing in a business environment with stockholder pressures will occasionally clash with desires to preserve a life style important to the heritage of the people.

Economic development and operations of business-for-profit corporations conducted within the environment of competing pressures, therefore, will severely impact upon the culture of the Alaska Natives. The acceleration of the shift to a cash economy with its impact on a subsistence style of living; the rise in the expectations of the people with more of the youth utilizing educational and job opportunities and the imposition of a corporate infrastructure–all of these and more are helping today to shape the native of tomorrow.

The Indians, Eskimos and Aleuts of Alaska feel an obligation to their posterity and have a deep-rooted respect for their elders. A failure to plan comprehensively for economic development may cause a further disparity between the technical demands involved in running a successful operation and the full comprehension of the majority of the people or stockholders whose support would be necessary.

At the heart of the economic development plan must be manpower development; the development of the people educationally and occupationally for economic activities and the creation of employment opportunities consistent with the life style and the kind of community that they want. The industrial developer must know the people as well as the project and must cultivate the art of listening patiently.

The labor force in rural Alaska is scattered and jobs have been hitherto scarce and largely seasonal in nature. Unfortunately, it also appears that native communities have had proportionately fewer people in the labor force, including a lesser part of the adult population. This has effectively limited the scale of economic activities and restricted the range of skills.

Further avenues to manpower development, therefore, will include programs for improving health, a better quality education and relevant technical and vocational training programs.

Oil pipeline construction activity, accompanied by spiraling wage scales and aggressively shaped instruments advancing native hire, has resulted in increased native employment opportunities. Unfortunately, businesses not directly related to pipeline work have been forced to compete with "pipeline" wages, with high worker "turnover" common in Fairbanks. For example; as a result more natives have joined various unions and received training opportunities related to pipeline work. As pipeline work winds down, the native work force will possess available skills and experience in crafts and in the numbers not hitherto available from that quarter. Discussions already mention the possibility of a second oil pipeline and the greater certainty of a gas pipeline.

Native corporations are beginning to become more actively involved in the business affairs and economy of Alaska. At the outset, such involvement centered mainly on construction and other related services in connection with development of the trans-Alaska pipeline. Other more recent business activities include purchase of housing and real estate and entry into the petroleum and banking industry.

With the flurry of oil finds on the North Slope, substantial activity in petroleum exploration has commenced. Several regional corporations have executed agreements with large oil companies and mineral companies for exploration of native lands in pursuit of potential oil and gas reserves and mineral deposits. Participation by native corporations in petroleum-related activities will likely continue with the expectation of future federal and state offshore lease sales.

Several regional corporations have jointly organized a state-chartered bank scheduled to open in late 1975.

Other areas of investment opportunities, including those basic to Alaska, will likely include active future participation by the native interests. For example, forestry which traces its origin, in part, to the 1950's and the development of technology which made possible the use of Alaska timber for paper pulp, appears to be the main avenue of investment for the native corporations in southeast Alaska.

Anticipating ownership of approximately 450,000 acres of land to be selected from the National Forest, these native corporations estimate the availability of 70-90 million board feet on a sustained yield basis. A corporation for the purpose of a unified effort in timber marketing and management has been formed. The completion of a project feasibility study in December 1975 will precede the southeast natives entry as a significant new force into the Alaska timber industry.

Investments by the Alaska native corporations in the fishing industry (such as fishing vessels, canneries, cold storage facilities) have been, at least initially, somewhat limited because of the generally declining Alaska fisheries industry. Two of the regional corporations have purchased large fishing vessels and four villages banded together to jointly acquire a cannery. Feasibility studies have and are being undertaken to insure prudent decisions in this industry. As the state of Alaska implements more effective management of the Alaska fisheries resources, further investment by the native corporations may occur.

Tourism and recreation offer opportunities for a coordinated effort by the natives with the state of Alaska which has broad promotional experience. Regional planning capabilities have already resulted in the purchase or construction of tourist accommodations in several regions. In addition to laying and implementing initial plans for business and economic development of resources to be received under the Act, the native corporations are in the process of assessing other characteristics that make their land important. These characteristics mainly involve heritage and culture, subsistence use, aesthetic quality, etc.

Each regional native corporation is also compiling a comprehensive listing of regional native historical and cemetery sites for the purpose of applying for title to certain ones. The regional corporations will administer the sites for which applications are approved consistent with their traditional use. One result will be the production of a document that will add substantially to the recorded history pertaining to each region.

Alaska suffers from severe disadvantages which influence economic activities. The physical geography of Alaska and limited highway mileage make transportation a substantive challenge and a key factor. Nevertheless, with the substantial capital and land resources available to native village, urban and regional corporations from the Alaska Native Fund and from future revenues under Section 7 (i) of the Claims Act, investment within and outside the Alaskan economy is limited only by the imagination and management capability which these native corporations bring to bear.

Mineral exploration and other resource development will be impacted and probably restricted by pending legislation which would classify more than 80 million acres of land in Alaska.

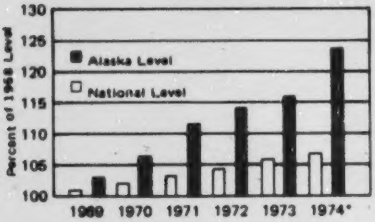
The growth of Alaska will accelerate even more sharply once oil pipeline revenues begin to reach the state treasury (see comparative growth as shown in Plate C). Oil development impact needs require immediate planning efforts by the state and a balanced and viable effort that will direct rational growth and the protection of the Alaska "life style".

The advent of the native corporations established under the Act will dramatically increase the land acreage in private ownership, it will provide well-financed regional entities with which private business and government may deal and it will

PLATE C

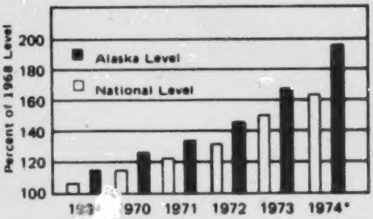
The following table was reproduced from the publication
"Alaskan Economy",
prepared by the State of Alaska,
Department of Economic Development,
Division of Economic Enterprise.

CHART I
POPULATION



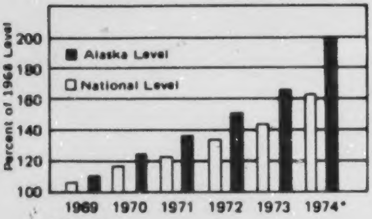
*Estimate
Sources: U.S. Dept. of Commerce
and Alaska Dept. of Labor

CHART II
GROSS PRODUCT



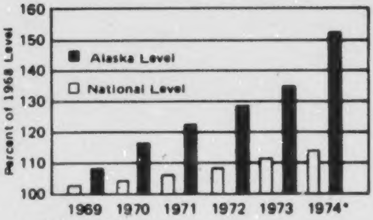
*Estimates
Source: Survey of Current Business, U.S.
Dept. of Commerce, ISEGR, Univ. of Alaska

CHART III
TOTAL PERSONAL INCOME



*Estimates
Source: Survey of Current Business, U.S.
Dept. of Commerce, ISEGR, Univ. of Alaska

CHART IV
TOTAL EMPLOYMENT



*Estimate
Sources: U.S. Dept. of Commerce and Alaska
Dept. of Labor.

enable the state of Alaska to restrain the pendulum of one-industry dependence. The native expertise that successfully lobbied an Alaska Native Claims Settlement Act through the Congress is now focusing on the world of business. The result will be professionally-trained people who will be contributing to the growth of their state in business and government. The regional corporations represent "resident" ownership and offer the basis for rational long-range planning in the state. Much can be achieved through possible joint-venture relationships with "outside" firms possessing the required expertise.

Of vital importance to the native stockholders is this: the "people orientation" of their corporations will not be diminished while the profit objective is being fulfilled. That both important objectives are compatible and can be achieved jointly will be successfully demonstrated in the future.

Information may be obtained from the offices of the native regional corporation where copies of annual reports and/or quarterly reports may be available.[1] Other information of a general nature may be obtained from the statewide Alaska Federation of Natives, Inc. and the Alaska Native Foundation. Additional information may be requested from:

A. Department of Commerce & Economic Development
   Division of Economic Enterprise
   Pouch EE
   Juneau, Alaska 99801
B. Alaska State Chamber of Commerce
   208 National Bank of Alaska Building
   Juneau, Alaska 99801
C. Department of Commerce Field Office
   Room 412–Hill Building
   632 6th Avenue
   Anchorage, Alaska 99510

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[1] See Plate D

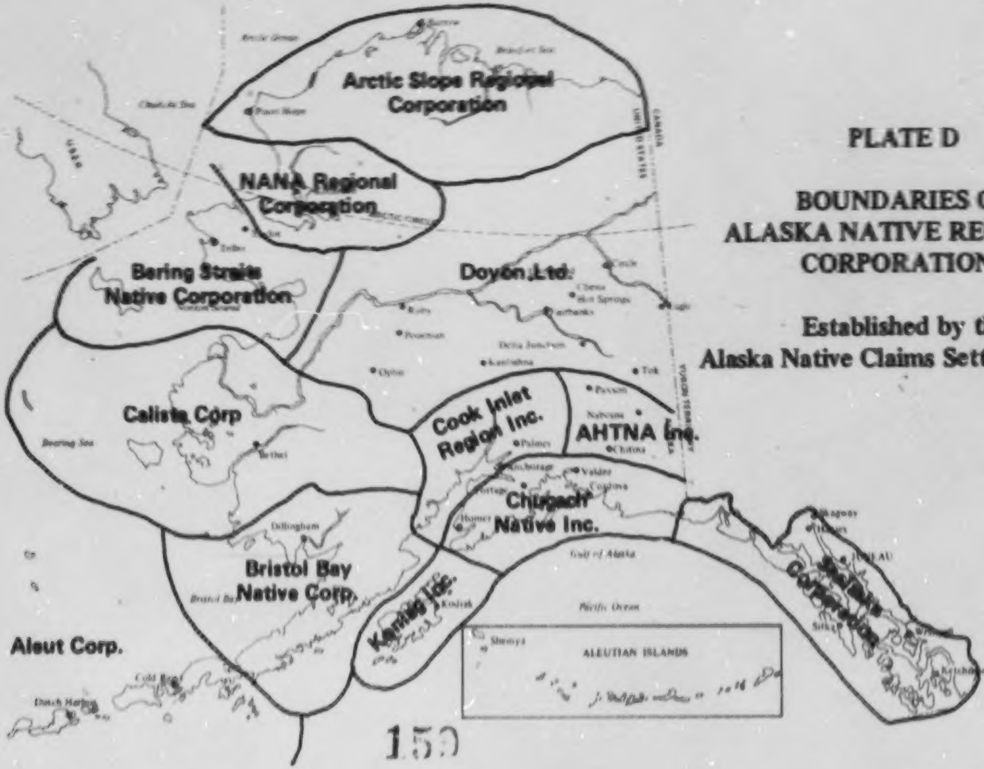
Arctic Slope Regional Corporation
NANA Regional Corporation
Bering Straits Native Corporation
Doyon, Ltd.
Calista Corp
Cook Inlet Region Inc.
AHTNA Inc.
Chugach Native Inc.
Bristol Bay Native Corp.
Koniag Inc.
Sealaska Corporation
Aleut Corp.
Arctic Ocean
Chukchi Sea
Beaufort Sea
Bering Sea
Bristol Bay
Gulf of Alaska
Pacific Ocean
ALEUTIAN ISLANDS
USSR
CANADA
UNITED STATES
YUKON TERRITORY
Barrow
Point Hope
Kotzebue
Teller
Nome
Ruby
Circle
Chena Hot Springs
Fairbanks
Eagle
Delta Junction
Tok
Paxson
Nabesna
Chitina
Palmer
Anchorage
Valdez
Cordova
Homer
Kodiak
Dillingham
Bethel
Cold Bay
Dutch Harbor
Shemya
Skagway
Haines
JUNEAU
Sitka
Ketchikan

PLATE D

BOUNDARIES OF ALASKA NATIVE REGIONAL CORPORATIONS

Established by the Alaska Native Claims Settlement Act

Appendices

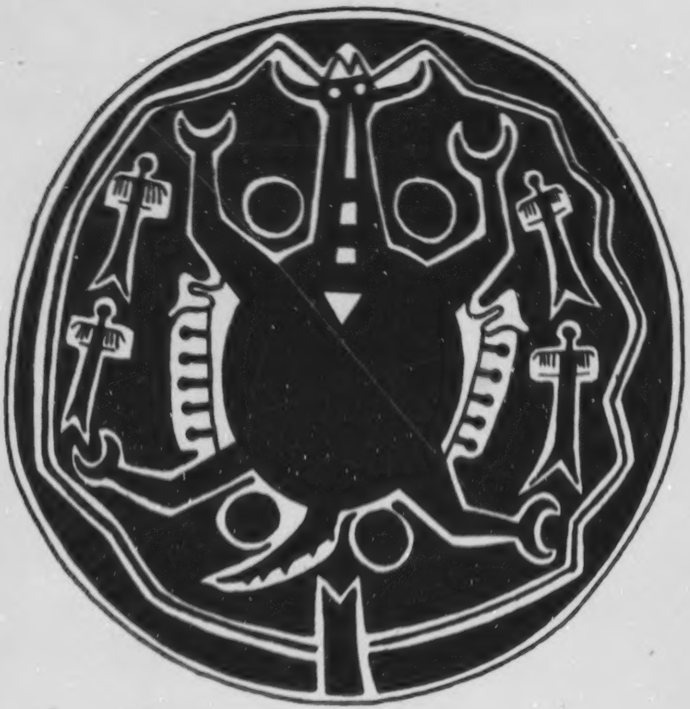

Illustration of Arapaho Art:

From a design on a 19" buffalo hide shield with painted deerskin cover in the Museum of the American Indian, Heye Foundation, New York.

Appendix A

– CHECK LIST –

The following headings suggest those industrial development factors upon which detailed, *current* data should be maintained by a working organization. As no checklist can be complete, add sub-headings as may be most appropriate to your area such as: IV. Local Government; B. Services; 1. Police, 2. Fire, 3. Sewers, 4. Waste Disposal, etc., etc.

I. **Location** (geographic)

II. **Character of Territory**

III. **Population Statistics**

IV. **Civic Administration**

  A. Form of Government
  B. Services
  C. Taxes
  D. Assessment policy: percent of value and method of calculating real estate taxes
  E. Is the attitude of present government favorable to industry?
  F. Income and Expenditures
  G. Indebtedness
  H. Is there a well-conceived, accepted and utilized comprehensive plan and program for development?

V. **Climate**

VI. **Cost of Living** (per capita)

  A. Food
  B. Clothing
  C. Other necessities
  D. Residential Utility Rates
  E. Transportation–local

VII. Labor

A. Available skilled and semi-skilled Labor Supply.
B. Unskilled Labor Supply
C. Characteristics of Labor
D. Sex and Type
E. Efficiency of Labor
F. Bonus Systems
G. Seasonal Variations
H. Training Facilities

VIII. Transportation Facilities

A. Railroads
B. Motor Trucking
C. Waterways
D. Other

IX. Power and Fuel

A. Power, types of
B. Adequacy of Supply and Reliability of Service
C. Coal
D. Gas
E. Other Fuels

X. Water

XI. Data On Existing Manufacturing Concerns

XII. Industrial Legislation and Regulations

XIII. Financial Data

XIV. Educational, Recreational, Cultural and Civic Data

A. Schools (with enrollment)
B. Churches
C. Libraries
D. Parks, Playgrounds

E. Theaters
F. Other Recreational Facilities
G. Newspapers
H. Special Agencies
I. Hotels and Motels
J. Postal Facilities
K. Public Buildings
L. Conference and Meeting Facilities

XV. Special Inducements

XVI. Building Costs

XVII. Sites

A. Confirmed Sites and Parks
B. Suitable

XVIII. Available Industrial Properties

A. Land (s)
B. Building (s)

Appendix B

INSTRUCTIONAL & EDUCATIONAL MEDIA

Annual Conferences regularly scheduled:

– American Industrial Development Council, Inc.
c/o Larry Cohick, Executive Vice President
American Industrial Development Council, Inc.
215 West Pershing Road, Kansas City, MO 64108
3½ days–3rd week in May

– Great Lakes Area Development Council
c/o Richard Nye, Secretary
Indianapolis Chamber of Commerce
320 N. Meridian Street, Indianapolis, IN 46204
2½ days–3rd week in March

– Northeastern Industrial Developers Association
(write AIDC above for contact address)
1½ days–last week of September and first of October.

– Pacific Northwest Industrial Development Council
(write AIDC above for contact address)

– Southern Industrial Development Council
c/o Robert B. Cassell, Executive Director and Head Community Development Branch, Industrial Development Division, Engineering Experiment Station, Georgia Institute of Technology,
Atlanta, GA 30332
2nd or 3rd week of October

Basic Industrial Development Courses (BIDC)–open to anyone who has an interest in the fundamentals of the industrial development art–week long–tuition varies–eight courses available on following schedule which may be altered from year to year: University of Arizona–January; Texas A&M University–March; Chico State (Cal)–April; Georgia Institute

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of Technology–April; Rochester (NY) Institute of Technology–June; University of North Carolina (Chapel Hill)–October; University of Illinois (Urbana)–November; University of Alaska (Fairbanks)–November. For detailed information write: American Industrial Development Council, Inc. (AIDC), 215 West Pershing Road, Kansas City, Missouri 64108.

Industrial Development Institute–open to anyone who has a certificate of completion from a BIDC or has two full years of field experience in industrial development–three-year course (one week each year) plus original thesis required for graduation–customarily held 2nd week in August annually. For detailed information write: Industrial Development Institute, Business and Industrial Services, The University of Oklahoma, 1700 Asp Avenue, Norman, Oklahoma 73069 or AIDC, Inc. (address above).

Conferences and Seminars are held across North America during the course of the year. A comprehensive listing of the principal such media can be obtained from AIDC, Inc. (address above).

The Industrial Developers' Audio/Visual Instruction Series–designed primarily for the purpose of indoctrinating members of the organization, the tribal leaders and other "need-to knows" in the principles of industrial development. Available in 16mm filmstrip or 32mm slides for Kodak Carousel and Tape, thirteen presentations viz., "The Principles of:

> No. 1–Promotion; No. 2–Total Community Development; No. 3–Prospecting; No. 4–Developing Industrial Sites; No. 5–Transportation;No. 6–Speculative Buildings; No. 7–ID Project Financing; No. 8–Organization and Programming; No. 9–Developing Existing Industry; No. 10–Data Compilation, No. 11–Facility Planning; No. 12–Industrial Development Teams; No. 13–Myths and Realities".

For information on rentals and purchase write the AIDC Educational Foundation, Box 495, 162 Main Street, Wenham, Massachusetts 01984 or contact AIDC, Inc. (address above).

Appendix C

FEDERAL GOVERNMENT "INDIAN DESKS" AND OTHER MAJOR CONTACTS

(as of May 1975)

DHEW
Department of Health, Education and Welfare

Mr. Clifford Allen, Director
Office of Health Resources Opportunities
Health Resources Administration (HRA)
Office of the Administrator
Parklawn Building, Room 1025
5600 Fishers Lane
Rockville, Maryland 20852
Phone: 301/443-4326

Dr. Emery A. Johnson, Director
Indian Health Service (IHS)
Parklawn Building
5600 Fishers Lane
Rockville, Maryland 20852
Phone: 301/443-1083

Mr. Harold Red Bird
Indian Desk, Public Health Advisor
National Institute on Alcohol Abuse and Alcoholism (NIAAA)
Parklawn Building, Rm. 14C-21
5600 Fishers Lane
Rockville, Maryland 20852
Phone: 301-443-1285

Mr. Dominic J. Mastrapasqua, Director
Indian and Migrant Programs
Office of Child Development (OCD)
600 6th Street, S.W.
P.O. Box 1182
Washington, D.C. 20013
Phone: 202/755-7715

Dr. William Demmert
Deputy Commissioner
Office of Indian Education (OIE)
400 Maryland Avenue, S.W., Rm. 4047
Washington, D.C. 20202
Phone: 202/245-8020

Dr. George Blue Spruce, Jr., Director
Office of Native American Programs (ONAP)
Donohoe Building
400 6th Street, S.W.
Washington, D.C. 20201
Phone: 202/436-3960

DHUD
Department of Housing and Urban Development

Mr. Reaves Nahwooksy
Special Assistant for Indian Programs
451 7th Street, S.W., Rm. 5106
Washington, D.C. 20410
Phone: 202/755-4150

DOA
Department of Agriculture

Miles S. Washington, Jr.
Acting Director
Office of Equal Opportunity
Department of Agriculture (USDA)
Washington, D.C. 20250
Phone: 202/447-4256

DOC
Department of Commerce

Ms. Emma Moreno
Community Relations Specialist
Social and Economic Statistics Administration
Bureau of the Census (BOC)
14th and Constitution Ave., N.W.
Washington, D.C. 20230
Phone: 202/763-5831

Mr. Joseph Vasquez, Director
Indian Desk
Office of Minority Business Enterprise (OMBE)
14th and Constitution Ave., N.W.
Rm. 5705
Washington, D.C. 20230
Phone: 202/967-5217

Mr. Raymond E. Tanner
Special Assistant for Indian Affairs
Economic Development Administration (EDA)
14th and Constitution Ave., N.W.
Washington, D.C. 20230
Phone: 202/967-4322

DOD
Department of Defense

Indian Claims Commission
Riddell Building
1830 K Street, N.W.
Washington, D.C. 20006
Phone: 202/382-6433

EPA
Environmental Protection Agency

Office of Federal Activities
401 M Street, S.W.
Washington, D.C. 20460
Phone: 202/755-0770

DOI
Department of the Interior

Mr. Morris Thompson, Commissioner
Bureau of Indian Affairs (BIA)
19th and D Streets, N.W.,
Rm. 6314
Washington, D.C. 20240
Phone: 202/343-5116

Mr. Gordon Evans, Assistant Chief
Division of Indian Business Enterprises
Bureau of Indian Affairs
1951 Constitution Ave., N.W.
Washington, D.C. 20242
Phone: 202/343-2864

Frances Ayer/Peter Taylor
Indian Civil Rights Task Force (ICRTF)
Officer of the Solicitor
1725 K Street, N.W., Rm. 212
Washington, D.C. 20240
Phone: 202/343-6152

Reid Chambers
Assistant Solicitor
Office of Indian Affairs (OIA)
18th and C Streets, N.W.,
Rm. 6061
Washington, D.C. 20240
Phone: 202/343-9401

DOJ
Department of Justice

Mr. R. Dennis Ickes, Director
Office of Indian Rights
Civil Rights Division (CRD)
Todd Building, Room 604
550 11th Street, N.W.
Washington, D.C. 20530
Phone: 202/739-4580

DOJ Continued:

Gilbert Pompa
Associate Director
Community Relations Service
(CRS)
550 11th Street, N.W.
Washington, D.C. 20530
Phone: 202/739-4016

DOL
Department of Labor

Mr. Alexander MacNabb, Director
Division of Manpower
Development Programs
Manpower Administration (MA)
Patrick Henry Building, Rm. 6402
601 D Street, N.W.
Washington, D.C. 20213
Phone: 202/376-6102

SBA
Small Business Administration

Mr. Richard Philbin
Office of Program Assistance
Small Business Administration
(SBA)
1441 L Street, N.W.
Washington, D.C. 20416
Phone: 202/382-3613

DOT
Department of Transportation

Joseph Napoli, Program
Coordinator
Indian Highway Safety
National Highway Traffic Safety
Administration
Washington, D.C. 20590
Phone: 202/426-1760

CONGRESS

Mr. Lee McElvian, Chief Counsel
Committee on Interior and
Insular Affairs
United States House of
Representatives
Washington, D.C. 20515
Phone: 202/225-2761

Mr. Forrest Gerard
Professional Staff
Committee on Interior and
Insular Affairs
United States Senate
Washington, D.C. 20510
Phone: 202/225-4971

Mr. Franklin Ducheneaux, Counsel
Subcommittee on Indian Affairs
Committee on Interior and
Insular Affairs
U.S. House of Representatives
422 House Office Annex
Washington, D.C. 20515
Phone: 202/225-1684

Mr. Ernest Stevens, Director
Indian Policy Review Commission
1418 Dirksen House Office
Building
Washington, D.C. 20510
Phone: 202/224-4434

NATIONAL INDIAN ASSOCIATIONS

National Congress of
American Indians
1346 Connecticut Ave., N.W.
Washington, D.C. 20036

Continued–

National Tribal Chairmen's Association
1701 Pennsylvania Ave., N.W.
Suite 406
Washington, D.C. 20006

American Indian National Bank
1701 Pennsylvania Ave., N.W.
Suite 300
Washington, D.C.
Phone: 212/965-4460

STATE INDIAN COMMISSIONS
(as of May 1975)

ALASKA
Special Assistant to the Governor
State Capitol
Juneau, Alaska 99801
Phone: 907/465-3400

ARIZONA
Arizona Commission on Indian Affairs
1623 West Adams
Phoenix, Arizona 85007
Phone: 602/271-4288

CALIFORNIA
California State Advisory Commission on Indian Affairs
State Capitol
Sacramento, California 95814
Phone: 914/445-1574

CONNECTICUT
Connecticut Indian Affairs Council
Old South Road
Litchfield, Connecticut 06759
Phone: 203/567-0120

FLORIDA
Governor's Council on Indian Affairs
105½ East College Avenue
Tallahassee, Florida 33202
Phone: 904/222-6295

IDAHO
Governor's Indian Advisory Council
Office of the Governor
State Capitol
Boise, Idaho 83701

KANSAS
Governor's Advisory Committee on Indian Affairs
2920 Strafford
Wichita, Kansas 67211

MAINE
Maine Department on Indian Affairs
Augusta, Maine 04330

MICHIGAN
Michigan Commission On Indian Affairs
Dept. of Management & Budget
Baker Olin-West, S.E., 2nd floor
3423 N. Logal Street
Lansing, Michigan 48914
Phone: 517/373-0654

MINNESOTA
Minnesota Indian Affairs Commission
Room 110, State Office Annex
117 University Avenue
St. Paul, Minnesota 55101
Phone: 612/221-3611

MONTANA
Coordinator of Indian Affairs
State Capitol
Helena, Montana 59601

NEBRASKA
Nebraska Indian Commission
Lincoln, Nebraska 58509
Phone: 402/477-5211, Ext. 216

NEVADA
Nevada Indian Affairs Commission
Carson City, Nevada 89701
Phone: 702/882-7797

NEW MEXICO
New Mexico Commission on Indian Affairs
Room A. Bataan Memorial Building
Santa Fe, New Mexico 87103
Phone: 505/827-2763

NEW YORK
Interdepartmental Committee on Indian Affairs
1450 Western Avenue
Albany, New York 12203
Phone: 518/457-6305

NORTH DAKOTA
North Dakota Indian Affairs Commission
State Capitol Building
Bismarck, North Dakota 58501
Phone: 701/224-2428

OKLAHOMA
Oklahoma Indian Affairs Commission
2A State Capitol Building
Oklahoma City, Oklahoma 73105
Phone: 405/521-3828

SOUTH DAKOTA
South Dakota Commission on Indian Affairs
Capitol Building
Pierre, South Dakota 57501
Phone: 605/224-3415

TEXAS
Texas Commission for Indian Affairs
P.O. Box 348
Liberty, Texas 77575
Phone: 713/336-3634

UTAH
Utah Division of Indian Affairs
888 South 2nd, East
Salt Lake City, Utah 84111
Phone: 801/328-5697

WASHINGTON
Governor's Indian Advisory Committee
Olympian Hotel
Olympia, Washington 98501
Phone: 206/753-2894

WYOMING
Governor's Indian Advisory Council
State Capitol Building
Cheyenne, Wyoming 82001
Phone: 307/777-7434

Appendix D

BRIEF BIBLIOGRAPHY

Advertising Effectiveness Studies, American Business Press, 265 E. 42nd St., NYC, NY 10017 (Arthur D. Little, Westinghouse, U.S. Steel-Hamischfeger), $5.00.

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Appendix E

ABOUT THE AUTHORS AND EDITORIAL BOARD

September 1975

Authors

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Roy Lee Rogers is a full blooded Cherokee. He is a graduate of Northeastern Oklahoma State University at Tahlequah where he took his BA Degree and did graduate work. After completing his Industrial Development internship in 1973 he took the position of Director of the Comprehensive Community Development Planning Project (ONAP) for the 5

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Richard Preston is a native of Massachusetts and took his B.A. Degree in [illegible]itical Science at Harvard College in 1937. He served [illegible] officer in the U.S. Naval Reserve during World War II. He organized and was the first Commissioner of the Massachusetts Department of Commerce. He has been the Executive Director of the New Hampshire Planning and Development Commission, industrial development consultant to the Government of the Belgians and President of Economic Development Associates. From 1962 until retirement in 1973 he was Executive Vice President of the American Industrial Development Council, Inc. during which time he directed and lectured at some five basic and advanced industrial development seminars for American Indians and further collaborated with the Indian Affairs Desk of the Economic Development Administration in its various endeavors including the American Indian Industrial Development Intern Programs. Mr. Preston is a Fellow of the Council, an Honorary Life Member of the American Industrial Development Council and a Certified Industrial Developer. He currently heads the AIDC Educational Foundation and was Editor in Chief of this Manual.

Nackey Scagliotti who executed the illustrations in this book is an anthropologist whose work has focused on native Americans. Formerly of the faculty of Boston University's Metropolitan College, Boston Massachusetts, she has combined a talent for pen and ink illustration with her knowledge of native art forms to provide the authentic illustrations contained throughout the pages of this manual.

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